

fail or decline to execute an assignment when requested to do so by Optionee, it is agreed that Optionee may submit the un-executed assignment to the Secretary of the Interior or his representative, together with a copy of this option; and such assignment and this option, in conjunction, shall be considered as a transfer by Lessee to Optionee of all of the rights provided for in such assignment.

- (b) It is further agreed that in the event the Secretary of the Interior shall refuse to approve such assignment Lessee shall, and hereby agrees to, execute an assignment to Optionee in such form as shall be acceptable to the Secretary of the Interior or his representative. Lessee further agrees to execute and deliver any additional or different papers which may be required in order to secure the approval of the Secretary of the Interior or his representative to such assignment.
- (c) Lessee further agrees at any time before or after the exercise of this option, at Optionee's request, to execute a Unit or Cooperative Plan for the Area in which all or a part of the above described land is located, said Plan to be in form satisfactory to Optionee and the Secretary of the Interior. Optionee shall have the right to be named as Unit Operator or to nominate another as Unit Operator in such agreement.

2. Lessee shall, at all times during the life of this option and prior to the execution of such assignment by Lessee and the approval thereof by the Secretary of the Interior or his representative, keep and maintain said application and any lease issued pursuant thereto and any renewals, modifications or extensions of said lease in full force and effect and fully keep and perform Lessee's obligations under such lease as to the land covered by this option; provided, that Optionee shall reimburse Lessee for any expenses hereafter incurred by Lessee in the payment of rentals and filing of bonds, or other expenses incurred with prior written consent of Optionee for the maintenance of said application or lease; provided, however, that if at any time Optionee shall, by notice to Lessee, release this option as to all or any part of the land covered hereby, then Optionee shall not be obligated to reimburse Lessee for any such expenses incurred in maintaining said application or lease as to the land so released from this option.

3. Subject to Optionee's right to surrender this option, as provided in paragraph numbered 4 hereof, and if the oil and gas lease herein referred to has been issued as of the date hereof, this option shall continue in force during the period of three years from and after the date of this option; provided, however, that if the oil and gas lease herein referred to has not been issued by the United States of America, then, and in such event, this option shall continue in force during the period from the date hereof, and for a period of three years from the date of the oil and gas lease which may be issued pursuant to the application for oil and gas lease herein referred to. It is further provided that if all or any part of the land covered hereby is included in a unit or cooperative plan, duly executed by the parties and submitted to the Secretary of the Interior for final approval prior to the expiration of this option, then as to that part of the land covered by this option, which is included in said unit or cooperative plan, this option shall not expire until a date thirty (30) days after date of final approval or disapproval by the Secretary of such unit or cooperative plan.

4. Optionee shall have the right to terminate this agreement at any time by written notice to Lessee as to all or any part of said land, and upon such termination of this agreement both parties hereto shall be forever released and discharged from all and singular their obligations hereunder, as to the land so released except those which have theretofore accrued.

5. Lessee agrees to furnish to Optionee promptly upon receipt by Lessee any notices, demands, or information concerning said application or any lease issued pursuant thereto. Demands upon and notices and communications to

*W.D. SBJ*