

LEASE TYPE	NAME OR NUMBER	TOWNSHIP	RANGE	SECTION	DESCRIPTION	ACREAGE	RIGHTS HELD	SUBJECT TO	
								TOTAL ROY. & ORRS (%)	Production Payments
State	0-847	27 N	113 W	16	ALL	640.00	Deep	15.00	Z

Notes:

RIGHTS HELD: "Shallow" denotes operating rights from the surface down to a stratigraphic depth of 1,500 feet above top of the First Frontier formation.  
 "Deep" denotes operating rights below a stratigraphic depth of 1,500 feet above the top of the First Frontier formation.  
 "Full" denotes both Shallow and Deep rights.

TOTAL ROY. & ORRS: \* denotes that U. S. Government royalty for the subject lease is subject to increase if average production per well per day exceeds 5,000 MCF of gas or 50 barrels of oil (for leases Evanston 07536, 021976, & 07555) and, for leases Evanston 07671 (b) and 010270 (b), if average production per day exceeds 3,000 MCF of gas or if average production per well per day exceeds 20 barrels of oil.

PRODUCTION PAYMENTS: "w" denotes that the subject operating rights are subject to a Production Payment, previously conveyed to Belfer Corporation on March 16, 1955, in the primary amount of \$165,000.00, plus a secondary amount equal to five (5%) percent per annum on the outstanding balance of the primary amount from time to time remaining unpaid, payable out of forty three and three-quarters (43 3/4%) percent of all oil and gas in and under, and that may be produced, saved and marketed from these operating rights.

"Z" denotes that the subject operating rights are subject to a Production Payment, in the original sum of \$25,000.00, payable out of one and one-half (1 1/2%) per cent of production from these operating rights and other operating rights subject thereto.

"y" denotes that the subject operating rights are subject to a Production Payment, in the original sum of \$75,000.00, payable out of two and one-half (2 1/2%) per cent of production from these operating rights and other operating rights subject thereto.

"g" denotes that the subject operating rights are subject to a Production Payment, previously reserved by Western Oil Refining Company on June 23, 1954, in the sum of \$200,000.00, payable out of five (5%) per cent of the oil, gas and other hydrocarbon substances produced, saved and sold from these operating rights.