

writing, the Grantee shall, in addition to all other rights the Grantee may have hereunder, have the right to take immediate possession of the Grantor's interests in the leases and options referred to in Exhibit "A", and all leasehold equipment thereon, and shall thereafter have the right to operate, equip and develop said leases or to designate an operator for that purpose and to exercise said options on behalf of Grantor. In such event the Grantee shall be entitled to receive the proceeds not only of the interest herein assigned, but also all of the Grantor's remaining interest in the oil and gas in and under, and that may be produced, saved and marketed from the properties described in Exhibit "A", and apply the proceeds of the Grantor's remaining interest to the expenses of operating, preserving and maintaining said leases to the extent necessary therefor, and the remainder of said proceeds shall be applied in accordance with the respective rights and interests of the Grantor and Grantee.

Within 30 days after demand by the Grantor, the Grantee will subscribe to any cooperative or unit plan for the development and operation of any of the properties described in Exhibit "A" as the Grantor may request.

With respect to each federal lease and with respect to any zone or portion of each ^{such} lease segregated for computing government royalty and covered by this production payment, payments on account of the production payment herein conveyed shall be suspended (to the extent that the production payment herein conveyed when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, shall exceed 17%)