

STATE OF NEW YORK

ss.: KNOW ALL MEN BY THESE PRESENT:

COUNTY OF NEW YORK

That PFAFF-QUEALY CORPORATION, a corporation organized and existing under the laws of the State of Wyoming, with its principal office and place of business at P. O. Box 302, Big Piney, Wyoming (hereinafter referred to as the "Grantor") for and in consideration of the sum of \$10.00 and other good and valuable considerations in hand paid by BELFER CORPORATION, a corporation organized and existing under the laws of the State of New York, with its principal office and place of business at 42 Broadway, Borough of Manhattan, City and State of New York (hereinafter referred to as the "Grantee"), the receipt whereof is hereby acknowledged, has granted, bargained, sold, transferred, assigned and conveyed, and by these presents does hereby grant, bargain, sell, transfer, assign and convey unto the Grantee an undivided fifty (50%) per cent of the Grantor's seven-eighths (7/8) working interest share of all oil and gas in and under, and that may be produced, saved and marketed from the properties situated in Sublette County, Wyoming, more particularly described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

This conveyance shall be effective at 7:00 o'clock a. m. on March 17, 1955; and the production payment hereinabove described and conveyed shall terminate and shall be deemed satisfied whenever the Grantee shall have received from the proceeds of the sale of oil and/or gas if, as and when produced from the properties described in Exhibit "A" annexed hereto, free of all costs and all production severance, gathering and other similar taxes (other than income taxes, if any, payable by the Grantee) the sum of \$165,000.00 (hereinafter called "Primary Amount") plus an amount (hereinafter called "Secondary Amount") equal to 5% per annum on the outstanding balances on the Primary Amount from time to time remaining unpaid, such Secondary Amount to be computed monthly from April 1, 1955, and plus an amount equal to all ad valorem taxes, if any, assessed against or with respect to the Grantee by reason of its ownership of the production payment conveyed to it hereunder, it being understood that such proceeds received by the Grantee each month shall be