

may request.

In the case of any lease from the United States described in Exhibit "A", to the extent that the interest hereby assigned, when added to the overriding royalties or payments out of production previously created, and to the royalty payable to the United States, aggregates in excess of seventeen and one-half (17 1/2%) percent, then the interest hereby assigned shall, to the extent of such excess, be suspended when and so long as the average production per well per day averaged on the monthly basis is (i) as to oil, fifteen (15) barrels or less, and (ii) as to gas, five hundred thousand (500,000) cubic feet or less, and such suspension shall apply separately to any zone or portion of any such lease segregated for computing government royalty.

The purchase price for this production payment being the sum of Seven Hundred Thousand (\$700,000.00) Dollars, shall be payable upon execution and delivery of this instrument, and the Grantor shall have no right to terminate this production payment.

When the Grantee shall have received the full amount of this production payment as above provided, this assignment and conveyance and all rights hereby granted shall cease and terminate without further act on the part of the Grantor, and the Grantee shall have no further interest in the oil and gas in and under and that may be produced from any of the properties or interests described in Exhibit "A", and upon the Grantor's request, the Grantee shall execute and deliver to the 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 hereto and shall inure to and be binding upon their heirs, executors, administrators, successors or assigns of the respective parties. The word "Grantor" as used herein means the named Grantors, their heirs, executors, administrators, successors and assigns, and the word "Grantee" as used herein means the named Grantee, its successors and assigns.