

ROCKY MOUNTAIN UNIT OPERATING AGREEMENT
Form 2 (Divided Interest) January, 1955

503

EXHIBIT "7"

PREFERENTIAL RIGHT OF PURCHASE

Attached to and made a part of that certain agreement entitled Unit
Operating Agreement for the East LaBarge

Counties Lincoln and
Unit Area, County of Sublette, State of Wyoming

Dated the 15th day of September, 1958.

Before any Party makes a sale of all or any part of its Committed Working Interest, it shall give to the other Parties written notice describing the Committed Working Interest proposed to be sold and stating the price at which and the terms upon which such Party is willing to sell the same. For a period of fifteen (15) days after receipt of such notice the other Parties shall have the right, exercisable by written notice to the selling Party, to purchase the interest proposed to be sold at the same price and upon the same terms as stated in said notice. If said right is exercised by any of the Parties, the obligation to purchase shall be subject to title to such interests being found to be merchantable in the selling Party and a reasonable time shall be allowed for examination of title thereto. Upon approval of title the selling Party shall convey such interests to the purchasing Party or Parties who shall thereupon pay to the selling Party the purchase price specified therefor; if two or more Parties have elected to purchase such interest, the purchase shall be made by them in proportion to the acreage of their Committed Working Interests within the Unit Area among themselves. If no Party exercises said right of purchase within said fifteen (15) day period, as above provided, the selling Party shall be free to sell the Committed Working Interest described in its notice to any other purchaser provided the sale is consummated within ninety (90) days after the giving of the initial notice of proposal to sell and for a price no lower and terms no less favorable to the selling Party than the price and terms specified in such initial notice. Such interests shall not be sold after the expiration of said period of ninety (90) days without again giving written notice to the other Parties and affording the other Parties the right to purchase as hereinabove provided. The provisions of the foregoing paragraph shall not apply to:

- A. The mortgage by any Party of all or any part of its Committed Working Interest, or
- B. To the transfer by any corporate Party of all or any part of its Committed Working Interest to its parent corporation or to a subsidiary corporation or to a corporation which is the subsidiary of its parent corporation, or
- C. The sale by any Party of all or substantially all of its oil and gas properties within the state in which the Unit Area is located, or
- D. A farmout arrangement made pursuant to the provisions of Section 26.1 dealing with Restriction on Zone Transfers.
- E. Any transfer or transfers of interests, between or among the partners of Belfer Natural Gas Company or between said partners or said partnership and Belco Petroleum Corporation.

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