

NOTESRIGHTS HELD:

"SHALLOW" - Denotes operating rights from the surface down to a stratigraphic depth of 1,500 feet above the 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. ANDCRS.:

* 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 07538, 021978, and 07555), and, for leases Evanston 07671 (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.

PRODUCTIONPAYMENTS:

"T" - Denotes that the subject operating rights are subject to a Production Payment previously conveyed to Bright Star Foundation, Inc., on December 6, 1957, in the primary amount of \$700,000.00 plus a secondary amount equal to six (6%) percent per annum on the outstanding balance of the primary amount from time to time remaining unpaid, payable (i) from the effective date of that conveyance to and including June 30, 1959, out of twenty-five (25%) percent of all (8/8) oil and gas in and under, and that may be produced, saved and marketed from such properties; (ii) from July 1, 1959 to and including July 31, 1960, out of fifty (50%) percent of all (8/8) oil and gas in and under and that may be produced, saved and marketed from such properties and which may remain after a monthly deduction of gas which equals \$120,000.00, during each and every month of this period; (iii) from and after August 1, 1960 unless such Production Payment has been sooner satisfied, twenty-five (25%) percent of all (8/8) oil and gas in and under and that may be produced, saved and marketed from such properties.