

4. Said overriding royalty shall be paid on or before the last day of each month next succeeding the month in which said oil, gas, casinghead gas or other gaseous substances are marketed, by mailing a check, postage prepaid to the

FARMERS STATE BANK,

Humphrey, Nebraska

Bank of for the account of Assignor, his successors or assigns. Said bank, or its successors, is or are the agent of Assignor, his successors or assigns, and shall continue as depository for any and all sums payable by Assignee hereunder regardless of changes of ownership of said overriding royalty, or any part thereof, or the right to receive the same.

5. In computing the amount of the overriding royalty payable hereunder, Assignee shall have the right to deduct, or cause to be deducted, from the amount or value of the oil, gas, casinghead gas or other gaseous substances, or the proceeds thereof, upon which said overriding royalty is computed, the full amount of any taxes required to be paid on such oil, gas, casinghead gas or other gaseous substances, or on the value or proceeds thereof, or for or on account of the production, sale, or transportation thereof, including any so-called gross production or severance taxes.

6. No change in the ownership of all or any part of the interests or rights of Assignor hereunder shall be binding upon Assignee unless and until Assignee shall be furnished with the original or an acceptable certified copy of the instrument or instruments evidencing such change of ownership or of other legal evidence of such change or ownership as may be required by Assignee, but notwithstanding any such change of ownership, Assignee shall have the right to continue to make all money payments which may be payable hereunder to the depository bank hereinabove named. In the event of a dispute at any time concerning the ownership of any overriding royalty payable hereunder, Assignee may withhold payment of such overriding royalty without interest, until such dispute is settled.

7. If, at any time, there shall be more than six parties entitled to receive said overriding royalty payments, then Assignee shall have the right to withhold, without obligation to pay interest thereon, all said payments, unless and until all of the parties entitled thereto shall designate, in writing, in a recordable instrument to be delivered to Assignee, trustee to receive all said payments, to execute division orders and to act in all matters involving the overriding royalty to which they are entitled for and on their behalf and on behalf of their respective successors in title.

8. Assignor shall have the right to assign, all, or a fraction part of said overriding royalty as a unit, but shall not have the right to assign, in whole or in part, the same in less than all of the above described land.

9. Assignee agrees as between the parties hereto to keep and perform all of the agreements, conditions and provisions of said lease obligatorily upon Assignor.

10. Notwithstanding the grant to Assignor of the above described overriding royalty, Assignee shall have the exclusive right, as between the parties hereto, to develop and operate all of the above described land and every part thereof to such extent and in such manner as Assignee shall determine to be proper, without incurring any liability whatever to Assignor and nothing herein contained shall be deemed, as between the parties hereto to obligate Assignee or Assignee's successors in interest in said lease to drill for, produce or market oil, gas, casinghead gas or other gaseous substances from the above described land, or to continue the production therefrom for the benefit of Assignor.

11. Assignee is hereby granted the right, as to all or any part of the above described land and as to any sand or horizon thereof, to enter into a unit plan, as herein defined, in such manner and form as Assignee shall deem proper and to commit Assignor's interest hereunder to such unit plan, and from time to time to modify, change or terminate any such unit plan, and Assignor hereby expressly ratifies and approves any and all such unit plans which may be so entered into by Assignee. Should the participation of Assignor or Assignor's successors, be required in the creation of any such unit plan or the modification or change thereof, Assignor, or Assignor's successors or assigns, do hereby make, constitute and appoint Assignee, or Assignee's successor or assigns, as attorney-in-fact to make, execute and deliver each and all instruments that may be so required, and to do and perform any and all acts and things incident or relating thereto.

12. Assignee is hereby granted the right to release, forfeit and surrender to the United States the above mentioned lease, either in whole or in part, and from time to time, and upon the happening of such event, shall thereupon be fully and completely relieved, released and discharged from all and not then accrued liabilities and all obligations to Assignor hereunder and under said lease to the extent it shall have been surrendered.

13. In the development or operation of the property covered by this assignment, Assignee agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and to require an identical provision to be included in all subcontracts.

14. Special Provisions.

Signed and delivered this 14th day of March, 1960.

IN PRESENCE OF: ATTEST:

John W. Stone

Assistant Secretary

Andrew J. Babel
Andrew J. Babel
Assignor

PHILLIPS PETROLEUM COMPANY

Assignee

By *John J. Babel* Vice President

(NEW MEXICO ACKNOWLEDGMENT — MAN AND WIFE)

STATE OF

COUNTY OF

} SS.

On this day of , 19....., before me personally appeared

and

his wife, to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Given under my hand and seal this day of , 19.....

My commission expires:

Notary Public

Residing at

(COLORADO ACKNOWLEDGMENT)

STATE OF

COUNTY OF

} SS.

The foregoing instrument was acknowledged before me this day of , 19....., by

WITNESS my hand and official seal.

My commission expires:

Notary Public

Residing at