

OP-3110-5

That under date of November 1, 1956, an oil and gas Lease, Serial Number W-042518-H, was issued by The United States, pursuant to the Act of Congress of February 25, 1920 (41 Stat. 437), as amended, to Byron W. Voorheis Lessee, covering the following described lands in the County of Sublette, State of Wyoming:

Containing 80.00 acres, more or less,

2 $\frac{1}{2}$ % ORRI - Beryl W. Rutledge



all of the above described lands,

TO HAVE AND TO HOLD the interest so transferred and assigned unto Assignee, and the successors in interest of Assignee, forever.

2. Subject to the conditions and agreements hereinafter set forth and in addition to the overriding royalties, if any, as set forth above, Assignee agrees to pay or cause to be paid to Assignor an overriding royalty of 2.01 per cent of the value on the leased premises or, if marketed, of the proceeds derived from the sale, at the well or wells on said land, of all oil, gas, casinghead gas and other minerals produced, saved and marketed under the provisions of said oil and gas lease, including any extensions or renewals or leases executed in lieu thereof, from the lands last hereinabove described, or of such production as may be allocated thereto, as hereinafter mentioned. PROVIDED, HOWEVER, that no overriding royalty shall be paid or shall accrue upon any oil, gas, casinghead gas or other gaseous substances produced, which are used for operating, development or production purposes on the above described land ~~or land covered by any unit plan including said lands,~~ or are unavoidably lost, and no overriding royalty shall be payable on gas, casinghead gas or other gaseous substances used for recycling or repressuring operations on the above described land ~~or the unitized area of such unit plan,~~ and which may benefit the above described lands, or any part thereof. It is further expressly provided and agreed that if the overriding royalty on oil herein provided to be paid to Assignor plus the total of all prior existing overriding royalties or burdens on oil production, if any, plus the royalty on oil payable to the United States in the aggregate exceeds 17½%, the overriding royalty on oil payable to the Assignor hereunder shall be reduced to the extent said aggregate shall exceed 17½% when the average production of oil per well per day averaged on a monthly basis is 15 barrels or less.

3. In the event the above described land, or any part thereof, or any sands or horizons thereof, are or shall hereafter be incorporated in and be operated under any cooperative or unit plan of development or operation, or other plan for the conservation of oil or gas in a single pool or area, or other agreements relating to the development of and production from said land (any such plan or agreements being for convenience herein referred to as "unit plan"), whereby the production therefrom is allocated to different portions of the land covered by such unit plan, then the production as allocated to any particular tract of said above described land, shall, for the purpose of calculating said overriding royalty to be paid Assignor hereunder, be regarded as having been produced from the particular tract of land to which it is so allocated and not from any other tract of land, and the royalty payments to be made, as herein provided, shall be based on the production only as so allocated.