

1. The interest in the lease acreage covered hereby is assigned by the Assignor and accepted by the Assignee subject to the overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or with respect to production which are of record and with which said lease acreage is encumbered; and Assignee hereby assumes and agrees to pay, perform or carry, as the case may be, one-half (1/2) of each of said overriding royalties, production payments, net profits obligations, carried working interests and other payments out of or with respect to production, to the extent that it is or remains a burden on the lease acreage.

2. This assignment is expressly subject to the terms and provisions of the Mickelson Creek Unit Agreement and the Mickelson Creek Unit Operating Agreement, both of such instruments being dated February 21, 1958. This assignment is in addition subject to a certain "Pooling Agreement, Mickelson Creek Unit Area" dated January 11, 1960, by and between Pan American Petroleum Corporation and Sinclair Oil & Gas Company. The interest herewith assigned is not, however, limited in duration to the term of any of such instruments.

3. As to any wells drilled on said lease acreage by the Assignee after the delivery of this assignment, the Assignee shall give the Assignor access to said wells and the derrick floor at all reasonable times and, upon request of the Assignor, shall furnish to the Assignor well samples of all cores and cuttings consecutively taken, unless the Assignor elects to take such samples; and, at the request of the Assignor, the Assignee shall furnish to the Assignor copies of any electrical well formation surveys made.

4. In the event that Assignee should elect to surrender, let expire, abandon or release all of any of his rights in said lease acreage or any part thereof, Assignee shall observe the relevant provisions of the Mickelson Creek Unit Operating Agreement referable to giving notice of such contemplated action and, thereafter, if required, shall assign such rights to the party or parties entitled thereto; if however, the Unit Operating Agreement is not in force or if the provisions of the Unit Operating Agreement do not require the giving of notice with respect to the action proposed by Assignee, Assignee shall in that event notify the Assignor hereunder not less than sixty (60) days in advance of such surrender, expiration abandonment or release and, if requested so to do by the Assignor,