

31

2. In the event that either party should elect to surrender, let 412 expire, abandon or release all or any of his or its rights in said lease acreage, or any part thereof, said party shall notify the other party not less than sixty (60) days in advance of such surrender, expiration, abandonment or release, and, if requested so to do by the other party, the party desiring to surrender, let expire, abandon or release immediately shall reassign such rights in said lease acreage, or such part thereof, to the other party.

3. This assignment is made subject to all the terms, and the express and implied covenants and conditions of said lease to the extent of the rights hereby assigned, which terms, covenants and conditions the Assignee hereby assumes and agrees to perform with respect to the lands covered hereby. Said terms, covenants and conditions, insofar as the said lease acreage is concerned, shall be binding on the Assignee, not only in favor of the lessor or lessors and their successors, heirs and assigns, but also in favor of the Assignor and its successors and assigns.

4. All notices, reports and other communications required or permitted hereunder, or desired to be given with respect to the rights or interests herein assigned or reserved, shall be deemed to have been properly given or delivered when delivered personally or when sent by certified mail or telegraph, with all postage or charges fully prepaid, and addressed to the Assignor and Assignee, respectively, as follows:

Assignor: Pan American Petroleum Corporation
Post Office Box 2212
Casper, Wyoming

Assignee: Belco Petroleum Corporation
630 Third Avenue
New York 17, New York

5. The terms, covenants and conditions hereof shall be binding upon, and shall inure to the benefit of, the Assignor and the Assignee and their respective heirs, successors or assigns; and such terms, covenants and conditions shall be covenants running with the lands herein described and the lease acreage herein assigned and with each transfer or assignment of said land or lease acreage.