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RECORDED *May 4* 19 *61* *11:00 AM*
 IN BOOK *30 Oil & Gas* PAGE *636*
 FEES \$ *3* *Commission* COUNTY CLERK
 SUBLETTE COUNTY, PINDEALE, WYOMING

Lease: W-025407-A

TRANSFER OF OPERATING RIGHTS

KNOW ALL MEN BY THESE PRESENTS:

That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, BELCO PETROLEUM CORPORATION, a Delaware corporation, hereinafter referred to as "Belco" or "Assignor" hereby does bargain, sell, assign and transfer and convey unto PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation hereinafter referred to as "Pan American" or "Assignee", its successors or assigns an undivided 20.00 % of 100% of the operating rights in and to each oil and gas lease described in Exhibit "A", insofar only as said lease covers lands described in Exhibit "A" hereto and insofar only as said leases cover all formations from the surface down to and including the bottom of the Mesaverde formation under said lands. (said leases and lands, insofar only as they cover the reservoir or formations above described, being hereinafter referred to for convenience as the "Reservoir".)

It is the intent of this instrument to convey to Pan American an undivided 20.00% interest in the Reservoir, and in the oil, gas, and associated kindred hydrocarbons that may be produced therefrom, subject to its proportionate part of all royalties payable under the terms of said leases; and subject to its proportionate part of the overriding royalties and other lease burdens shown on Exhibit "A" hereto.

Belco does not hereby either retain for itself, or transfer to Pan American the exclusive right to operate the Reservoir, but the parties hereto agree that the Reservoir shall be operated for the joint account of the parties hereto, and each agrees that it will execute to whichever party may actually conduct operations for the joint account, such Designation of Operator, or other instrument as may be required by the United States Geological Survey, in order to permit the party entitled to conduct operations to do so.

All notices, reports and other communications required or permitted hereunder, or desired to be given with respect to the rights or