

3. The overriding royalties retained and reserved by Assignor shall be payable in cash only and not in kind on or before the 25th day of each calendar month, based upon production of the preceding month.

4. The overriding royalty retained and reserved by Assignor shall bear its pro rata share of any production, severance, franchise or licensing tax or any other tax computed, measured or based upon production of oil and/or gas which may be imposed by the Federal Government, the State of **Wyoming** or any of its political subdivisions. Assignee is hereby authorized to and at its option may pay all taxes of Assignor and to deduct Assignor's share so paid from the amount of royalties which shall become due.

5. Assignee shall pay all rentals from and after the date of this Assignment accruing under said lease to the government, and shall pay or deliver all royalties due the Government under said lease.

6. Assignee shall have the use, without payment of royalty, of so much of the oil, gas and other hydrocarbon substances and water produced on said lands as may be required in Assignee's operations thereon.

7. Assignor hereby represents and warrants that Assignor is the owner, without encumbrance, of the entire interest in said lease, and that Assignor has not heretofore sold, assigned, transferred, encumbered or conveyed said lease, or any right, title or interest therein, and has full right, power and authority to enter into this Assignment with respect to said lease.

8. Assignee agrees to comply with each and every condition and requirement of said lease, and laws and regulations applicable to said lease.

9. Assignee shall have the right at any time and from time to time to surrender to the United States all or any part, by legal subdivision, of the lands covered by this assignment in which event the royalty reserved hereunder shall forthwith terminate as to the lands so surrendered and Assignee shall be released and discharged from any and all obligations under this assignment as to said surrendered lands except for royalties theretofore accrued and unpaid.

10. Assignee shall have the right and Assignor does hereby authorize Assignee to enter into cooperative or unit development contracts or plans with lessees, owners and operators of other oil and gas lands on the geological structure of any oil and gas field embracing all or a part of said lands above described, for the purpose of securing development of the geological structure under unified control and Assignee is authorized to subject all or any part of the said lands above described to one or more of such cooperative or unit development contracts or plans. Assignor shall, at Assignee's request, execute as a party signatory thereto or by Assignor's attorney in fact any such cooperative or unit development contract or plan. Under said contract or plan the said lands above described and Assignor's interest therein, as reserved under this Assignment, may be pooled with other lands and the interests of others in said other lands for conservation purposes and to prevent economic waste and for the allocation of production for the computation of royalty and benefits to the lands subjected to said contract or plan. Assignor agrees and consents to Assignee, or its nominee, being or becoming the operator under such contract or plan. Any such cooperative or unit development contract or plan and the terms, covenants and conditions therein contained, including the allocation of production, in so far as they affect Government lands, shall be subject to the approval of the Secretary of the Interior of the United States.

11. No change in ownership of the overriding royalty reserved herein to Assignor shall be binding upon Assignee until Assignee has received from the transferee a certified copy of the instrument of transfer together with certified copies of all instruments showing valid deraignment of title from Assignor. In the event of changes in ownership so as to require more than three separate payments by reason of division of said overriding royalty, Assignee shall have the right to require the designation of a single agent for all of the owners of said overriding royalty, and payment by Assignee to such agent in a single sum shall discharge Assignee's obligations to pay said overriding royalty and Assignee shall have no obligation as to the distribution thereof.

12. Assignee shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin, and shall require an identical provision to be included in all sub-contracts.

13. This Assignment is subject to final approval by the Secretary of the Interior.

14. This agreement shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, Assignor and Assignee have caused this instrument to be executed as of the day and year first hereinabove written.

B. J. O'Brien
Witness

1991 Oak St., So. Pasadena, Calif.
Address

Ellen S. O'Brien
Witness

Address

Assignor

GENERAL PETROLEUM CORPORATION

By *R. C. Swanson* Vice President

By *J. J. Kelly* Assistant Secretary