12. REMEDIAL WORK

In the event either party fails, neglects or refuses to begin, and thereafter to diligently prosecute remedial work or operations and/or fails to make any payment or do any act required to be done by it in its own designated zone of operations, pursuant to the direction or order of the United States Geological Survey, or other governmental agency having or claiming to have jurisdiction over the operations, and such remedial work, payment or act is necessary to keep said oil and gas lease or operating agreement in good standing, then the other party may at its election, within Fifteen (15) days following written notice to the defaulting party, effect such remedy, perform such act, or make such payment on behalf of the defaulting party, and may collect from the defaulting party One Hundred Percent (100%) of the sum expended thereon, plus Six Percent (6%) annual interest on the unpaid balance thereof. The parties hereto, upon receipt of any notice or demand concerning remedial work or operations, shall forthwith send a copy thereof to the other party.

13. RIGHT OF SURRENDER

General may at any time, and from time to time, surrender to Western all or any portion of the lands herein described from the effect of this agreement, whereupon all obligations and rights of General as to such surrendered lands shall cease and terminate, except for obligations which have theretofore accrued upon royalties or under the provision of Paragraph 12 hereof, and/or for the completion of operations then in progress, and/or proper abandonment of wells theretofore drilled. In the event of any partial surrender contemplated henein, the same shall be by legal subdivisions.

14. WESTERN RIGHT OF ASSIGNMENT

Western may at any time, and from time to time, transfer and assign to General their right, title and interest in and to the oil and gas leases or operating agreements above set forth; provided, that such assignment shall be made without warranty and shall affect areas of not less than 160 acres, which

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