

Form 427 7-62
Printed in U.S.A.

PAN AMERICAN PETROLEUM CORPORATION

ASSIGNMENT OF FEDERAL OIL AND GAS LEASE (ORR)

New Serial: Wyoming 0179471(A)

Serial No., Wyoming 0179471

KNOW ALL MEN BY THESE PRESENTS: That, for and 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, G. F. GROVE, 523 Hudson, Denver 20, Colorado

hereinafter called "Assignor" (whether one or more) hereby does bargain, sell, assign, transfer and convey unto PAN AMERICAN PETROLEUM CORPORATION, a Delaware corporation with an office in Casper, Wyoming, hereinafter called "Assignee", that certain Oil and Gas Lease issued by the United States of America to G. F. GROVE, which lease bears the above Serial Number and is dated May 1, 1962, insofar as said lease covers the following described land in the County of Sublette, State of Wyoming, to wit:

TOWNSHIP 27 NORTH, RANGE 111 WEST, 6th P.M.

Section 22: S½;

containing 320.00 acres, more or less;

THE Assignor hereby excepts and reserves from this Assignment an overriding royalty of 3% including all prev. orrs. of the value, at the field market price at the time of production, of the oil and gas that may be produced, saved and sold from the above described land by virtue of said lease. The overriding royalty excepted and reserved by the Assignor shall bear its pro rata share of any production or severance 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 said State, or any of its political subdivisions. In the event the Assignor's interest is less than the full and undivided ownership in said lease, the overriding royalty to be paid Assignor shall be that percentage of the above amount which Assignor's interest bears to the full leasehold estate.

THE Assignor hereby agrees that no change in the ownership of said overriding royalty shall be binding on the owner or operator of this lease until such owner or operator has been furnished with a written transfer or assignment or a true copy thereof. It is agreed by the Assignee that the said overriding royalty shall attach to any extension of said lease which may be obtained by the Assignee, or its successor or assigns.

AND in consideration thereof the Assignor covenants with the Assignee, its successors and assigns, that the Assignor is the sole owner of said lease and all rights thereunder insofar as it covers the land above described, that said lease is valid and subsisting, that it is free and clear of all liens and encumbrances, that Assignor has full right and lawful authority to sell and assign the same, and that Assignor will forever warrant and defend the title thereto against all lawful claims and demands whatsoever.

THE Assignor agrees to be bound by the terms and provisions of said lease, provided the assignment is approved by the signing officer of the Bureau of Land Management, and further agrees that the obligation to pay any overriding royalties or payments out of production of oil created by said assignment, which, when added to overriding royalties or payments out of production of oil previously created and to the royalty payable to the United States, aggregate in excess of 17-1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less, and that such suspension will apply separately to any zone or portion of a lease segregated for computing Government royalty.

THIS ASSIGNMENT shall be binding upon the Assignor and Assignee and upon their heirs, successors and assigns.

EXECUTED this 18TH day of May, 19 63.
Assignment Approved Effective JUL 1 1963

Edward G. Duckworth

EDWARD G. DUCKWORTH
CHIEF, MINERAL LEASING
LAND OFFICE, CHEYENNE, WYOMING

REQUEST FOR APPROVAL
IN FILE 20-04498-3(B)16

Revenue Stamps In The Amount
Affixed To Original Copy

223562 FOR CLAIMANT