

lands described above and the extent and duration thereof shall be solely at the will of Assignor.

Assignor reserves the right and power to pool or unitize its interest in said leases and lands and any or all of the underlying substances covered by said leases, or any portion or portions thereof, with other land, lease or leases or interests therein in the vicinity thereof, when in Assignor's judgment it is necessary or advisable to do so in order to properly develop and operate said leases and lands so as to promote the conservation of gas, oil or other minerals in and under and that may be produced from said leases and lands.

If any of the aforementioned leases cover a lesser interest in the oil and gas in and under the lands described in Schedule A than the entire and undivided fee simple estate therein, then the overriding royalty interest herein assigned shall be reduced proportionately and shall be payable only in the proportion which the interest in said land covered by said lease bears to the entire and undivided fee simple estate therein.

It is expressly understood and agreed by Assignor and Assignee that the overriding royalty interest assigned hereby shall be payable only out of the interest in the oil and gas in and under the lands described in Schedule A remaining in Assignor after that certain Partial Assignment of Working Interests and Operating Rights dated February 26, 1963, from Assignor to Kerr-McGee Oil Industries, Inc. and Texas Gulf Producing Company, and covering certain portions of said lands; but that said overriding royalty interest shall not be reduced by virtue of Assignor's ownership of less than the full and entire working interest in any of the leases and lands described in said Schedule A due to said Partial Assignment.

Any subsequent sale or other disposition by Assignee of all