

ASSIGNMENT OF OIL AND GAS LEASE

KINTZEL BLUE PRINT CO
CASPER, WYOMING

THIS AGREEMENT, dated as of the 26th day of September, 1963, between the undersigned (whether one or more) hereinafter called "Assignor", of P. O. Box 1545, Casper, Wyoming, and The Pure Oil Company hereinafter called "Assignee";

WITNESSETH

WHEREAS, On the 7th day of May, 1963, a certain oil and gas mining lease was made and entered into by and between Patrick Johnson and Corrine Johnson, his wife Landon C. Taylor as lessor, and as lessee, covering the

following described lands in Sublette County, State of Wyoming; to-wit:

Township 33 North - Range 112 West, 6th P. M.

Section 28: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$

Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 34: NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Containing 880.00 acres more or less.

RECORDED October 17 1963 9:08 A.M.
IN BOOK 31 Vol. 2 Land PAGE 14
FEES \$2.00 COUNTY CLERK
SUBLETTE COUNTY, PINEDALE, WYOMING

Said lease being recorded in the office of the County Clerk in said County in Book 36 O&G, page 243; and,

WHEREAS, the said lease and all rights thereunder or incident thereto are now owned by the undersigned Assignor; and,

WHEREAS, the parties have agreed upon the assignment by assignor to assignee, of the above described lease, pursuant to all the provisions hereof.

NOW, THEREFORE, in consideration of the sum of One Dollar and more, receipt and sufficiency of which to support all provisions hereof, is hereby acknowledged by assignor, and the assignor the present owner of the said lease and all rights thereunder or incident thereto, does hereby bargain, sell, transfer, assign and convey all rights, title and interest of the original lessee and present owner in and to said lease and rights thereunder, save and except an overriding royalty hereinafter provided, insofar as it covers

All of the above described lands

together with all personal property used or obtained in connection therewith to the assignee, and its heirs, successors, representatives and assigns forever.

The parties hereto, further mutually and severally represent and agree as follows.

(a) Assignor represents and warrants to Assignee that Assignor is the sole and absolute owner of said lease and that said lease is in full force and effect; that Assignor has not heretofore sold, transferred, assigned or encumbered said lease or any right, title or interest therein, and that Assignor has full right, power and authority to execute this assignment and to convey said lease, and that all obligations and duties imposed upon the lessee in and with respect to said lease have been fully performed and complied with as of the date hereof.

(b) Assignee hereby accepts this assignment and agrees to be bound and abide by all terms, conditions and covenants of said lease, provided that at any time while Assignee is not in default with respect to any of the terms, conditions and covenants thereof, Assignee may, with the consent of Assignor, release the said lease either in whole or in part, or, if Assignor does not consent to such release, reassign the same either in whole or in part to Assignor.

(c) As part of the consideration for this assignment, Assignee hereby agrees to account for and pay to Assignor, his or her, heirs, successors, representatives and assigns an overriding

royalty of Three percent (3%) of the sale value of the leasehold interest, with respect to the production of oil and/or gas which may be produced from, or allocable to the said leasehold estate, or any renewal or extension of said leasehold estate, if said lease grants unto the lessee the right and option to renew said lease, provided, however, that no payments pursuant to the foregoing provisions shall be payable or shall accrue upon any oil and/or gas used for operating, development or production purposes upon or with respect to the above described land, or any lands included therewith in the manner hereinafter described, or any oil or gas which is unavoidably lost; nor shall any of the foregoing payments be payable or accrue with respect to gas used for recycling or repressuring operations benefitting any such land as aforesaid. Reference is hereby made to production allocable to the above leasehold estate and to land included with the above described leasehold estate, and these references are agreed to be with respect to matters covered by any co-operative or unit plan for development of the above described leasehold estate and other lands entered into in accordance with rules and regulations of the department of the Secretary of the Interior or any voluntary agreement between the Assignee and the owner of oil and/or gas rights in and with respect to lands located on the same structure as the above described land for the joint development and operation of such properties.

(d) The term "sale value" as applied to oil and/or gas pursuant to the provisions of this agreement, shall mean the value thereof, at the well, at the current price paid, from time to time, to producers for like oil and/or gas of like character, gravity and quality in the same vicinity; provided, however, that, if Assignee shall sell oil or gas at the well, then the sale value thereof shall be determined at the field price at the well which Assignee shall receive for such oil and/or gas produced from, or allocated to, the above described land and saved and sold by Assignee.

(e) Assignee agrees to pay to, or reimburse, Assignee for a percentage of any and all taxes levied upon the mineral rights in the above described land upon the severance or production of oil and/or gas extracted therefrom, equivalent to Assignor's percentage of overriding royalty therein as above determined.

(f) No change of ownership in the interest of Assignor hereunder shall be binding on the Assignee until after notice thereof to Assignee and Assignee has been furnished with the written transfer or assignment or a certified copy thereof.

(g) It is expressly understood and agreed that Assignee shall have the exclusive right, as between the parties hereto, to develop and operate all of the assigned portion, of the above described land, and every part thereof, to such extent and in such manner as Assignee shall determine to be proper, but nothing herein contained shall be deemed, as between the parties hereto, to obligate Assignee to drill for, produce or market oil or gas from any of the above described land to any greater extent than required by the terms and conditions of the above described lease, or any co-operative plan or unit plan of development in force with respect to said lands, or the applicable rules, regulations or orders of any public body exercising authority in the premises.

(h) It is understood and agreed that Assignee shall have the right, as to all or any part of the above described land and as to any sand or horizon thereof, to enter into any co-operative or unit plan of development of the type provided for by regulations of the Department of the Interior, or any voluntary plan between private persons, owners of lands located on the same structure, as Assignee may deem advisable for the development and/or operations of the above described land, together with neighboring lands on the same structure, or other like agreements relating to the development and operation of said land, either in whole or in part, and separately or with other lands, in such manner and form as Assignee shall deem proper, and from time to time to modify, change or terminate any such plan or plans or agreements; and Assignor hereby expressly ratifies and approves all such plans and agreements which may be so created into by Assignee. In the event that said above described land, or any part thereof, or any sand or horizon thereof, shall hereafter be operated under such plan of development or operation, whereby the production therefrom is allocated to different portions of the lands covered by said plan, then the production allocated to any particular tract of land shall, for the purpose of computing the hereinbefore described payments, be made to Assignor under the provisions hereof, to be regarded as having been produced from the particular tract of land to which it is allocated and not to any other tract of land, and that said payments to be made hereunder to Assignor shall be based upon the production only as so allocated. Assignor hereby grants and conveys to and upon Assignee, with full power of substitution, power of attorney to embrace and subject all or any part of the above described land and all or any part of the oil and gas rights and estate with respect thereto, in and to any such plan or agreement above described without the consent of Assignor's express concurrence thereto. For all purposes hereof, Assignor hereby releases and waives all rights, if any, in said lease under all homestead and other exemption laws of said State.

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

IN WITNESS WHEREOF, the parties hereto have duly executed this agreement as of the day and year first above written.

WITNESSES:



Landon C. Taylor
Patricia A. Taylor

ASSIGNOR

BY