

## R I D E R

and *Wolf*

Attached to and made a part of that certain assignment dated November 2, 1961 between Tidewater Oil Company (Assignor) and Clark Oil & Refining Corporation (Assignee).

It is understood and agreed that the overriding royalty interest herein retained and reserved by Assignor is subject to Assignor's further right and option to convert said overriding royalty interest to Twenty-Five percent (25%) working interest in and to the lease herein assigned as to the lands covered by this assignment after "Payout", as said term is hereinafter defined, computed on the entire lands covered by this assignment, hereinafter referred to as the "leased premises".

For the purposes of this assignment, PAYOUT shall mean such time as Assignee has recovered, out of 8/8 of the production from the leased premises, less severance taxes and presently applicable royalties, production payments and overriding royalties, all drilling costs, completion costs, equipping costs and operating costs during such period, after crediting any dry hole money contributions or other money contributions. The costs referred to in this definition shall be determined in accordance with the form of accounting procedure known as "PASO-T-1955-2" (published and for sale by Ross-Martin Co., Tulsa 1, Oklahoma) wherein the letter "A" shall be inserted in the second line of Section I-2, wherein the words and figures "thirty (30)" shall be inserted in lieu of "fifteen (15)" in the first line of Section I-3, wherein the word "District" shall be inserted in the third line of paragraph 11 of Section II, wherein the last line of said paragraph 11 shall read "charges shall be apportioned to all properties served on a well basis, drilling wells equivalent to four (4) producing wells.", wherein the well basis schedule of paragraph 12 of Section II shall be as follows:

0- 4000	\$150.00	\$30.00	\$25.00	\$15.00
4- 8000	225.00	50.00	40.00	30.00
8-12000	300.00	65.00	55.00	45.00
below 12000	400.00	75.00	65.00	55.00

and, wherein the following provision shall be inserted in paragraph 13 of Section II "Actual cost of operating and maintaining district supply and storage facilities may be included in District and Camp Expense, paragraph 11 above. No percentage handling charge will be made".

At such time as the leased premises shall have reached PAYOUT, as above defined, Assignee shall so notify Assignor in writing. Thereafter, Assignor shall have sixty (60) days from receipt of such notice within which to elect to convert said overriding royalty interest to the aforementioned working interest in and to the leased premises. In the event Assignor elects to convert said overriding royalty interest to a working interest, as heretofore provided, Assignor and Assignee shall enter into an operating agreement covering the leased premises in the form of agreement titled "Rocky Mountain Joint Operating Agreement, Form 3, November, 1959" (published and for sale by the Rocky Mountain Mineral Law Foundation, Boulder, Colorado) wherein Assignee shall be Operator, wherein the amounts of \$5,000 and \$1,500 shall be respectively inserted in Section 5.5, wherein the percentage amount of 250 shall be inserted in sub-paragraphs (b), (c) and (d) of Section 10.2 and wherein the term provision of Section 19.2 thereof shall be for the life of the lease covered thereby; provided, however, in the event at the time of conversion the leased premises are subject to an operating agreement which has theretofore been consented to and approved in writing by Assignor, Assignor's working interest in and to the leased premises shall be subject to the terms and provisions of such operating agreement and Assignor agrees to execute and deliver to Assignee, upon request, any ratifications or joinders necessary to evidence the same. Thereafter all operations in connection with the leased premises shall be governed by the provisions of such operating agreement and the burden thereof shall be shared by Assignor and Assignee in accordance with their respective and proportionate working interest ownership.

It is further understood and agreed that Assignor's retained overriding royalty interest and option to convert to a working interest shall be effective throughout the life of the lease herein assigned and shall also extend and attach to any renewal or extension of said lease. Also, if the lease herein assigned is surrendered, terminated or allowed to expire and a new lease is taken from the same lessor by the Assignee, then such new lease shall be considered to be a "renewal", as such term is used in this paragraph, if such new lease is taken within ten (10) years of the date of surrender, termination or expiration.