

1. *Use of form.* This form is to be used only for assignment of record title interests in oil and gas leases. It is *not* to be used for assignments of working or royalty interest, operating agreements, or subleases. The assignment, if approved, will take effect as of the first day of the lease month following the date of filing in the proper Land Office of three (3) *original* executed counterparts thereof, together with any required bond and proof of the qualification of the assignee to take and hold the interest assigned. Assignments *must* be filed within ninety (90) days from date of final execution and *each* *must* be accompanied by a filing fee of \$10. Any assignment not accompanied by the required fee will *not* be accepted for filing. An assignment of record title may cover lands in only one lease. Where more than one assignment is made out of a lease, a separate instrument of transfer *must* be filed for *each* assignment.

2. *Qualifications of assignee.* Assignee *must* indicate whether or not he is over the age of 21 and a citizen of the United States. If assignee is an unincorporated association (including a partnership), the assignment *must* be accompanied by a statement giving the same showing as to citizenship and holdings of its members as required of an individual. If assignee is a corporation, it *must* submit a statement containing the following information: (a) the State in which it is incorporated; (b) that it is authorized to hold oil and gas leases; (c) that the officer executing the assignment is authorized to act on behalf of the corporation in such matters; and (d) the percentage of the voting stock and of all of the stock owned by aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings *must* be furnished. Where evidence of the corporation's citizenship and stock ownership has previously been furnished, reference by serial number to the record in which it has been filed, together with a statement as to any amendments, will be sufficient. With respect to

qualifications of the assignee, there *must* be full compliance with the regulations 43 CFR 3123.2. 268

3. *Statement of interests.* Assignee *must* indicate whether or not he is the sole party in interest in the assignment. If not the sole party in interest, the assignee *must* submit at the time the assignment is filed a signed statement setting forth the names of the other interested parties. If there are other parties interested in the assignment, a separate statement *must* be signed by each and the assignee setting forth the nature and extent of the interest of each, the nature of the agreement between them, if oral; and a copy of the agreement, if written. All interested parties *must* furnish evidence of their qualifications to hold such lease interests. Such separate statement and written agreement, if any, *must* be filed not later than fifteen (15) days after the filing of the assignment.

4. *Overriding royalties or payments out of production.* Any overriding royalties or payments out of production created by the assignment but not set out therein *must* be described in an accompanying statement. If payments out of production are reserved by the assignor, outline in detail the amount, method of payment, and other pertinent terms.

5. *Effect of assignment.* Upon approval of the assignment, the assignee becomes the lessee of the Government as to the assigned interest and will be responsible for compliance with all the lease terms and conditions, including timely payment of annual rentals and maintenance of bond, if required. The approval of an assignment of part of the leased lands creates separate leases out of the assigned portion and the retained portion, but there is no change in either the anniversary date or the term of such leases except as provided under the regulations 43 CFR 3128.5. Oil and gas leases are governed by the regulations 43 CFR 3100 and 3128, of which sections 3128.1-6 relate to assignments of such leases or interests therein.

6. A copy of the executed lease out of which this assignment is made should be made available to the assignee by the assignor.