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 COUNTY CLERK
 SUBLETTE COUNTY, PINE DALE, WYOMING

OPERATING AGREEMENT

THIS AGREEMENT, made and entered into this 24 day of May, 1967, by and between BELCO PETROLEUM CORPORATION, a Delaware Corporation, whose address is Belco Petroleum Building, 630 Third Avenue, New York, New York, 10017, hereinafter called "Belco", party of the first part, and WESTERN OIL REFINING COMPANY, a Wyoming corporation, whose address is 915 Pine Avenue, Kemmerer, Wyoming, 83101, hereafter called "Western".

WITNESSETH:

A. WHEREAS, Belco owns the shallow rights in and to the lands and leases, the subject of this agreement, which are, as follows:

United States Oil and Gas Lease Evanston 026191, by and through an "Operating Agreement" from Fred J. Hischier, permittee, and Susan J. Quealy, contractor, dated March 15, 1939, and Agreement of Assignment from Fred J. Hischier to Western Oil Refining Company, dated November 23, 1948, then by lease, United States Government to Western Oil Refining Company, bearing date of January 1, 1950, and Operating Agreement, dated May 16, 1962, Western Oil Refining Company to Belco Petroleum Corporation, insofar as the said oil and gas lease covers the following described lands:

T. 27 N., R. 113 W., 6th P. M., Wyoming
Section 4: SE/4SW/4, SW/4SE/4 - 80.00 acres, more or less,

said lands being subject to the following royalties heretofore reserved:

Joseph A. Minton	2/9 of 2-1/2%
Grace Marquis Estate	2/9 of 2-1/2%
J. K. Wellman	3/18 of 2-1/2%
James R. Wellman	1/18 of 2-1/2%
Fred J. Hischier & Pauline French Hischier	1/9 of 2-1/2%
Patrick J. Quealy	1/2 of 1%
Margaret Fitzpatrick Est.	7/8 of 1/6 of 2-1/2%
Francis John Fitzpatrick	1/18 of 2-1/2%
Agnes E. Fern	1/8 of 1/6 of 2-1/2%

and,

B. WHEREAS, Western owns "Shallow Operating Rights", more particularly described hereafter and being in the immediate vicinity of the lands the subject of this agreement; and,

C. WHEREAS, it has been determined by the parties hereto that all of said lands contain a common single geological structure, wherein several sands and horizons produce hydrocarbon substances; and,