

(b) That the Assignee shall furnish to the Assignor authentic itemized monthly reports of all production from said lease acreage, such reports to be mailed not later than the fifteenth day of the month following that for which the report is made.

(c) That in the event Pan American's interest in said lease immediately prior to execution of this instrument covered less than all of the oil and gas mineral rights in and to the land described hereinabove said overriding royalty interest reserved hereunder shall be proportionately reduced.

4. As to any wells drilled on said lease acreage by the Assignee after the delivery of this assignment, the Assignee shall give the Assignor access to said wells and the derrick floor at all reasonable times and, upon request of the Assignor, shall furnish to the Assignor well samples of all cores and cuttings consecutively taken, unless the Assignor elects to take such samples; and, at the request of the Assignor, the Assignee shall furnish to the Assignor copies of any electrical well formation surveys made.

5. In the event that the Assignee should elect to surrender, let expire, abandon or release all or any of his or its rights in said lease acreage, or any part thereof, the Assignee shall notify the Assignor not less than 30 days in advance of such surrender, expiration, abandonment or release and, if requested so to do by the Assignor, the Assignee immediately shall reassign such rights in said lease acreage, or such part thereof, to the Assignor.

6. This assignment is made subject to all the terms and the express and implied covenants and conditions of said lease, to the extent of the rights hereby assigned, which terms, covenants and conditions the Assignee hereby assumes and agrees to perform with respect to the lands covered hereby. Said terms, covenants and conditions, insofar as the said lease acreage is concerned, shall be binding on the Assignee, not only in favor of the lessor or lessors and their successors, heirs and assigns, but also in favor of