

all such encumbrances shall ipso facto terminate at such time as this sublease terminates and/or at such time as that portion of the interest herein subleased is re-assigned to Assignor.

8. Assignee shall be considered to be engaged in "continuous drilling operations" at the end of the primary term for purposes of this section if Assignee is engaged in actual drilling operations on the leased premises or lands pooled therewith at the end of the primary term, or if Assignee has completed or abandoned a well within one hundred twenty (120) days prior to the end of the primary term; and Assignee shall be deemed to be engaged in continuous drilling operations for as long thereafter as Assignee conducts drilling operations on the leased premises or lands pooled therewith with due diligence and with intervals of not more than one hundred twenty (120) days between the date of completion or abandonment of one well and the date of commencement of actual drilling of the next well. If Assignee is engaged in continuous drilling operations at the end of the primary term, then such continuous drilling operations will be deemed to have ceased when Assignee fails to commence actual drilling of a well within one hundred twenty (120) days after the completion or abandonment of the preceding well, and this lease shall thereupon terminate except as to production units assigned to wells then producing in paying quantities from the leased premises or lands pooled therewith, as provided in this section.

A "production unit", for purposes of this assignment, shall be eighty (80) acres  $\pm$  ten percent (10%) for an oil well, and three hundred twenty (320) acres  $\pm$  ten percent (10%) for a gas well, between seven thousand five hundred feet (7,500') and eleven thousand feet (11,000') and six hundred forty (640) acres  $\pm$  ten percent (10%) for a gas well below eleven thousand feet (11,000').

9. No assignment of this sublease shall be made by Assignee without the prior written consent of Assignor, which shall not be unnecessarily withheld. All of the covenants, obligations and considerations of this assignment shall extend to and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns. Provided, however, no change of ownership