

ASSIGNMENT OF OIL AND GAS LEASE

_____ of _____ ("Assignor") and _____ of _____ ("Assignee") agree that:

Assignor is Lessee under an Oil and Gas Lease executed on _____ by Assignor as Lessee and _____ as Lessor and recorded on _____ in Liber _____ at Page _____ of the _____ county records, Michigan, covering the real property in the County of _____, Michigan, described as follows:

In consideration for the sum of \$ _____ and other good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby sell, assign, transfer, and convey to Assignee all of Assignor's right, title, and interest in the lease and the real property covered by the lease, on the following terms and conditions:

1. **Override Royalty.** There is excepted from the above assignment and conveyance and reserved and retained in Assignor an overriding royalty equal to 3% of the value of all oil produced and removed under the lease and the net proceeds received by Assignee from the sale of all gas and casinghead gasoline produced and sold under the lease. The overriding royalty reserved and retained by Assignor shall be payable to Assignor at the same time, and shall be computed in the same manner, as is provided in the lease for the payment, and computation, of royalties payable under it to Lessor.
2. **Assignee to Perform Lease.** Assignee accepts, on the terms and conditions specified in this document, this assignment of lease and agrees to truly and fully perform all of the terms and conditions of the lease to be performed under the lease by Lessee.
3. **Indemnity Agreement.** Assignee shall indemnify and hold Assignor and the property of Assignor, including Assignor's interest under this instrument, free and harmless from all claims, liability, loss, damage, or expense resulting from Assignee's performance of the lease, Assignee's occupation of any part of the real property covered by the lease, or the exploration for, or extraction by Assignee under the lease of, any oil, gas, or other hydrocarbon substances.
4. **Modification and Extension of Lease.** Assignee shall have the right to obtain from Lessor under the lease, or Lessor's successor in interest as Lessor under the lease, any modifications or extensions of the lease Assignee may desire, as long as the modifications or extensions do not reduce in any way the overriding royalty reserved and retained by Assignor under this instrument or otherwise infringe on any rights of Assignor under this instrument.
5. **Default.** Should Assignee fail to commence drilling operations on the land covered by the lease within one year after the date of this instrument, or should Assignee fail or default in the performance of the lease or this instrument, then Assignor may, at Assignor's option, either declare Assignee's rights under the lease and this instrument forfeited and resume its, Assignor's, status as Lessee under the lease or bring appropriate action in law or equity either to enforce this instrument or to recover appropriate damages.
6. **Access to Wells.** Assignor shall have access to any well drilled by Assignee on the land covered by the lease and shall have the privilege of witnessing all tests and operations conducted on or in connection with any such well. On written request of Assignor, Assignee agrees to furnish Assignor with copies of logs and reports obtained or prepared in connection with any well drilled on the land covered by the lease.
7. **Assignor's Warranties** Assignor makes no warranty of title with respect to the land covered by the lease, but Assignor does warrant and represent to Assignee that:
 - a. The rights and interest conveyed to Assignee by this instrument are free and clear of all liens, charges, and encumbrances created by Assignor;

- b. Assignor has the right to make the transfer and conveyance effectuated by this instrument;
 - c. No default or defaults now exist or have been declared under the lease; and
 - d. The lease is now in good standing and in full force and effect.
8. **Manner of Payments to Assignor.** All moneys payable under this agreement by Assignee to Assignor shall be deemed duly paid when a check for them payable to the order of Assignor is deposited in the United States mail, first-class postage prepaid, addressed to Assignor at its office at _____ . Assignor may from time to time change depositories for the purpose of this paragraph by giving written notice of the change and the name and address of the new depository to Assignee in the manner prescribed by this instrument.
9. **Notices.** All notices or other communications required or permitted by this instrument, the lease, or by law to be served on or given to either party to this agreement, Assignor or Assignee, by the other party shall be in writing and shall be deemed duly served when personally delivered to the party to whom it is directed or when deposited in the United States mail, first-class postage prepaid, addressed to Assignor at _____ or to Assignee at _____ .
Either party, Assignor or Assignee, may change its address for the purpose of this paragraph by giving written notice of that change to the other party in the manner provided in this paragraph.
10. **Attorney's Fees.** Should any litigation be commenced between the parties to this instrument concerning the assignment and transfer made by it, the lease, or the rights or duties of either party in relation to the lease or to this instrument, the party, Assignor or Assignee, prevailing in that litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as attorney's fees in the litigation, which shall be determined by the court in the litigation or in a separate action brought for that purpose
11. **Binding on Heirs.** All of the terms and provisions of this instrument shall inure to the benefit of and shall be binding on the heirs, executors, administrators, representatives, successors, and assigns of each of the parties to this agreement.
12. **Sole and Only Agreement.** This instrument constitutes the sole and only agreement between Assignor and Assignee respecting the lease or the assignment of the lease by Assignor to Assignee, and correctly sets forth the obligations of Assignor and Assignee to each other as of its date. Any agreements or representations respecting the lease or its assignment to Assignee not expressly set forth in this instrument are null and void.

EXECUTED on _____

Assignor:

Assignee:

By: _____
Its: _____

By: _____
Its: _____