



LEASE ASSIGNMENT LANGUAGE RIGHTS, TITLE, AND INTEREST

Full Assignments require the transfer of responsible party (Lessee) status to another legal entity and must be written as “100% of Assignor’s XX% right, title and interest.” There is only one Lessee per lease.

Full Assignments where Lessee’s remaining interest does not cover the entire lease (not all parcels, limited to a formation, is less than 100%) require the following additional Rights, Title, and Interest (RTI) language:

- *This constitutes all of Assignor’s remaining working interest in the lease(s) listed on this assignment.*
- *Assignee shall comply with, and hereby assumes sole responsibility for all expressed and implied covenants and obligations in any leases affected hereby as to lands covered by this assignment for all interest holders for all formations.*

Partial Assignments are made by an interest owner that is not the responsible party (Lessee) OR when the Lessee assigns less than 100% of their interest in a lease or portion of a lease and must be written as “XX% of Assignor’s XX% right, title and interest.”

Partial Assignments where Assignor’s remaining interest does not cover the entire lease require the following additional RTI language:

- *This constitutes all of Assignor’s remaining working interest in the lease(s) listed on this assignment.*

Full or Partial Assignment - Duplicative or Reference

As of February 27, 2008, it is no longer acceptable to use language referring to overriding royalty interests (ORI) or net royalty interests (NRI).

If an Assignor’s goal is to divest all of their various interests (including ORI and NRI, etc.), a private agreement between the Assignor and Assignee should be executed. The State assignment requires the following additional RTI language:

- *This Assignment of Lease(s) is a duplicative assignment prepared solely to acquire the State of Michigan’s approval, as required, for the assignment of rights in State of Michigan Lease(s).*

Approval granted by the State of Michigan does not extend to the provisions or conditions of any outside agreements executed between Assignor and Assignee.

OR

- *This Assignment of Lease(s) evidences the intent of the parties hereto and does hereby make reference to that certain Letter Agreement dated XXXXX, between Assignor and Assignee.*

Approval granted by the State of Michigan does not extend to the provisions or conditions of such outside agreements executed between Assignor and Assignee.

Full Assignment of Responsible Party (Lessee) Status Only

If the intent is to only convey responsible party (Lessee) status and no other interest is being conveyed via the assignment, the Assignee must have already been conveyed and currently hold an interest from a previously approved State assignment. The following additional RTI language is required.

- *Assignor grants to Assignee the status of responsible party (Lessee) for all State of Michigan Leases listed on this assignment. By virtue of this assignment, Assignee assumes responsibility for all expressed and implied covenants of the lease(s) on behalf of all interest holders. Lessee responsibility extends to all formations covered by the lease(s).*

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Acceptable Language

The following language may be listed on an assignment if applicable:

- *Approval granted by the State of Michigan does not extend to the provisions or conditions of outside agreements executed between Assignor and Assignee.*
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Company Names with Limited Partnership

If a company does not want to spell out “Limited Partnership” throughout the assignment, an * must be added next to the company name and the following language inserted under RTI:

- **The Assignor/Assignee referred to in this assignment, XXXXX, L.P., is registered with the Michigan Department of Licensing and Regulatory Affairs to transact business in Michigan under the name of XXXXX, Limited Partnership.*
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Effective Date

If a company wants to use an effective date different from the signature date, it must appear on the second page next to the Assignee’s and Assignor’s signature area; *Effective XXXXXX* (Month, Day, Year).

Legal Descriptions

The legal description on Full Assignments must match the original lease, incorporating any amendments or releases, etc. Legal descriptions on Partial Assignments are not verified.

Working Interest

If the Assignor wishes to reference a specific date, it must be written as “. . . Rights, Title, and Interest as *held by Assignor XXXXXX*” (Month, Day, Year).

Working interest is not verified; entities are expected to know what interest they hold.