

provisions of Article I (hereinafter termed "gas"), produced from the subject lands;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency of which are mutually acknowledged, the parties hereto covenant and agree with each other as follows:

#### ARTICLE I

##### Dedication and Reservation

Section 1. Seller hereby dedicates to the performance of this agreement all of Seller's interests in natural gas which may be produced from the subject lands, reserving, however, to Seller the following:

(a) The right to process or to have processed for it, gas produced from the subject lands and to use necessary gas for fuel for such processing and, as between Buyer and Sellers, the right to retain and dispose of (free from any and all claims by Buyer) all right, title and claim to (1) any and all liquids recovered by or for Sellers from the gas and (2) any and all hydrocarbons absorbed from the gas and thereafter vaporized; provided that the processing of the gas for the liquids and for the extraction of ethane vapors together with such methane vapors as cannot be economically separated under normal processing operations, shall not prevent the gas from conforming to specifications as to quality as provided in Article IV hereof.

(b) All gas which may be required by Seller for:

(1) Lease fuel, drilling, developing and operating in connection with development and operation of the subject lands,