

to be used only (i) to cure any defaults on said indebtednesses, (ii) to be applied against the entire of said indebtednesses if, as, and when said indebtednesses shall become due by acceleration or otherwise, or (iii) to pay the balance of said indebtednesses when such balance has been reduced to \$300,000.00 and expend only for the purpose of reducing the indebtednesses represented by said note.

(3) As an ordinary prudent operator continue or cause to be continued in full force and effect the leases mentioned in said Exhibits "A" and "B" in so far as they cover the interests and lands affected hereby; and comply or cause to be complied with all expressed and implied obligations and provisions of said leases and assignments thereof; provided, however, and it being understood that Grantors shall never be required to drill or cause to be drilled any well nor pay any delay rentals on or with respect to any of the leases mentioned or referred to herein or the lands covered thereby which is necessary and required to otherwise keep said lease or leases in full force and effect; and the payment of any delay rentals and/or the drilling of additional wells on any of said leases shall be at the sole will and discretion of Grantors, and Grantors shall not be held liable for their failure to do so.

(4) Operate or cause to be operated said leases in so far as they cover said lands and oil and/or gas wells at any time existing thereon in a good, workmanlike, efficient, and prudent manner; and with respect to the operation and development of said leases and the obtaining, production, handling, transportation, and sale of said production, to comply as a prudent operator with all proration and conservation laws in the State and States in which said leases and lands covered thereby are located, and all orders, rules, and regulations of all commissions, agencies, and regulatory bodies at any time, and from time to time, having jurisdiction or control over or with respect to any or all of said production and/or said leases and the operation thereof.

(5) Not perform any act which would create a valid lien, or constitute grounds for a valid lien or valid claim upon or against any of said production or interests or proceeds, or properties assigned hereunder; and pay or cause to be paid before delinquency all royalties and other amounts, with the exception of those provided hereunder to be paid by Grantee, which might be a basis for any such lien or claim against any of said production or the properties affected hereby by reason of failure or neglect to pay any of the same.