

right, full power and lawful authority, to grant, bargain, sell, transfer, assign and convey the production payment hereby conveyed in the manner and form hereby done or intended; that the above production payment is free and clear of all liens, encumbrances and adverse claims except as specifically mentioned in Exhibit "A"; that the leases and leasehold interests as described in Exhibit "A" are valid and existing; that all rents and royalties due and payable under said leases have been duly paid and all conditions necessary to keep said leases in full force and effect have been duly performed; that the Grantor is the lawful owner and has good title to such interests hereby conveyed, free and clear of all liens, encumbrances and adverse claims, except as specifically mentioned in Exhibit "A"; that the Grantor will warrant and forever defend the title to such interests hereby conveyed unto the Grantee against the claims of all persons whomsoever claiming or to claim the same or any part thereof; that the Grantor will on request of the Grantee promptly correct any defect, error or omission which may be discovered in the contents of this instrument or in the execution or acknowledgement thereof, and will execute and deliver such further instruments and do such further acts as may be necessary or as may be reasonably requested by the Grantee, to carry out more effectively the purpose of this instrument and to make subject hereto the interests hereby covered or intended to be covered.

The Grantor will render and pay punctually, before the same become delinquent (or, as to any thereof which are being contested in good faith, promptly after the final determination of such contest), all ad valorem taxes (or taxes imposed in lieu thereof) and other similar taxes or assessments which may be levied upon or assessed against the properties and leasehold interests described in Exhibit "A", and all taxes and assessments (other than taxes on or measured by the income or profits of the Grantee) which may be levied upon or assessed against the production payment herein conveyed or measured by the production of oil or gas accruing thereto or against the Grantee by reason of its ownership of this production payment, and including also any interest or penalty payable in connection therewith.