

Production Payment specified in § 1.3, PPO shall be compelled, for any reason whatsoever, to make any payment or restitution on account of proceeds of any PP Hydrocarbons theretofore received by PPO, then the unliquidated balance of the Primary Sum shall be increased by the amount of the proceeds so paid over (plus all amounts which PPO shall be compelled to pay in the nature of interest, damages and penalties).

ARTICLE SECOND

PROTECTION TO PURCHASERS OF PRODUCTION

§ 2.1. No pipe line company or other person purchasing or taking or processing any Subject Hydrocarbons shall be required to take notice of, or keep informed as to, the discharge or termination of the Monterey Production Payment until the actual receipt by such company or person of written notice from PPO and WIO advising such company or person of such discharge or termination.

ARTICLE THIRD

COVENANTS OF THE WORKING INTEREST OWNER

WIO hereby covenants as follows:

§ 3.1. *Operation of the Subject Interests.* WIO, so long as the Monterey Production Payment shall remain in force and effect, will, at its own cost and irrespective of who may be the operator of the Subject Interests, cause

A. the Exhibit A Subject Interests and any Exhibit B Subject Interests which shall hereafter be proven to be capable of producing Hydrocarbons in paying quantities, to be maintained and developed and continuously operated for the production of Hydrocarbons in a good and workmanlike manner and in accordance with sound field practices and all applicable Federal, State and local laws, rules and regulations (except those being contested in good faith);