

conditions as contained in the oil and gas leases, operating agreements and other instruments of title as set forth herein, and agrees to save and hold Western harmless of and from any liability, claim or demand which may accrue thereunder with respect to said "Deep Zones".

6. COVENANTS

General, in its operations of said "Deep Zones", shall comply with all orders of the United States Geological Survey of the Department of the Interior, and/or other governmental agency having or claiming to have jurisdiction over operations of the leased premises, and shall save and hold Western harmless of and from any and all liability, claim or demand with respect to or growing out of said operations. In this regard General shall pay all royalties reserved by the United States upon all products produced by General hereunder, which royalty payments shall be made directly to the United States, and shall pay all royalties reserved to other persons and parties, heretofore reserved, including royalties herein reserved to Western, such royalties to be paid by General directly to the parties thereunto entitled.

7. TAXES, LIENS, ETC.

General shall pay all taxes, charges and assessments levied or assessed against said lands in connection with General's operations hereunder. In the event such taxes, charges or assessments are not assessed separately against the "Deep Zones" and the other rights in said premises retained by Western, an equitable division of said taxes, charges and assessments shall be made as between Western and General; provided, that until and unless General develops production from the "Deep Zones", all taxes, charges and assessments so levied or assessed shall be paid by Western. General shall pay and satisfy all claims for materials, supplies and