

(b) When said reserved production payment has been fully satisfied as provided above, then ASSIGNEE, its successors and assigns, shall have no further claim to the production accruing to the undivided interests in said properties and the oil and gas then remaining in, under or upon said lands or thereafter produced from the interests herein conveyed and the production payment reservation made herein on behalf of ASSIGNEE shall automatically terminate and ASSIGNEE, its successors and assigns, shall execute, upon request, such instruments as may be necessary or appropriate to evidence this termination of record and to enable ASSIGNEE to thereafter receive, dispose of and collect for all of the oil and gas thereafter to be produced from or to the account or credit of the undivided interests in said properties herein conveyed.

(c) In determining when ASSIGNEE has received oil and gas aggregating the value above fixed in Paragraph (a), the value of all such oil and gas shall be the amount actually paid to ASSIGNEE by a purchaser or purchasers thereof less the amount of any transportation charges and any gross production, severance or similar taxes actually paid by ASSIGNEE or deducted by any such purchaser in making payments to ASSIGNEE. In calculating the amount equivalent to that which interest would produce when computed at the rate and upon the time hereinabove specified, the amount of money actually paid to ASSIGNEE on and after the 20th day of the preceding month by any purchaser from ASSIGNEE shall be applied first to the production, severance and similar taxes and transportation charges actually paid by ASSIGNEE and next to the accrued interest computed as hereinabove specified on the remaining balance due from month to month, and then to the satisfaction of the balance of the primary amount of \$900,000.00. ASSIGNEE does not guarantee, expressly or impliedly, that the value of the oil and gas to be produced from the lands described in Exhibits B-1, B-2 and B-3 and to be received by ASSIGNEE, by virtue of the production payment reservation herein made, will be sufficient to satisfy the amounts herein specified, but such amounts shall be satisfied solely out of the value of the oil and gas received by ASSIGNEE by virtue of this production payment reservation if, as and when produced from said lands.

(d) No interest in or title to the undivided interests in the leasehold equipment assigned herein is reserved herein by ASSIGNEE.

(e) All of the costs and expenses incurred in operating and developing the undivided interests in said properties herein conveyed and treating and marketing the oil and gas to be produced therefrom shall be borne exclusively by