

clear of all liens, encumbrances and adverse claims. The Grantor further covenants that it has complied with and will duly comply with and fulfill all covenants required to be fulfilled in order to prevent any forfeiture or reversions of any acreage described in Exhibit A pursuant to an agreement entered into among J. H. Morgan, Sr. and Clarence I. Justheim and Arthur B. Belfer dated August 29, 1952 (as amended by Supplemental Agreement dated September 23, 1952). The Grantor further covenants that it will at its own cost and expense recover, produce and deliver to Grantee's credit in the pipelines to which the wells on the leases and interests described in Exhibit A may be connected, the aforementioned interests hereby conveyed of the oil and gas produced from said properties if, as and when the same are produced and sold, until the Grantee shall have received the full amount of the production payment herein conveyed.

The Grantor will duly perform and observe all of the obligations, covenants and conditions on its part to be performed or observed under the above mentioned Gas Sales Contracts with El Paso Natural Gas Company dated July 24, 1953, August 26, 1955, June 8, 1956 and December 10, 1959, all as amended, and the Grantor will not without prior written consent of the Grantee be a party to or consent to any termination of such Gas Sales Contracts, as amended, or to any alteration thereof, if such alteration would adversely affect the production payment herein conveyed.

The Grantor hereby agrees that it will furnish or cause to be furnished to the Grantee a detailed report