

D. Without the necessity of obtaining the consent of PP Owner (except in the case of transactions involving a parent, subsidiary or affiliate of WI Owner) to farm out from time to time, in the ordinary course of business, any of the Subject Interests, or portions thereof, free of the Production Payment; provided, however, that the only consideration received or to be received by WI Owner for any such farmout shall consist of mineral, royalty, production payment or other oil and gas leasehold interests (including reversionary net profits and carried interests) retained in the lands so farmed out, and that portion of the Subject Interests so retained shall remain subject to the Production Payment to the extent of the applicable fraction of the Subject Interest produced, saved and sold, all to the same extent and with like effect as if such retained interests were described in Exhibit A, and any such farmout agreement shall so state.

For all purposes of this Section, an existing well located on any Subject Interest shall be deemed to be capable of producing Hydrocarbons "in paying quantities" unless a condition not of a temporary nature shall exist whereby the aggregate value of the Subject Hydrocarbons which are being produced or will be produced from such well is less than the costs and expenses directly related to the operation and maintenance of such well (excluding office and management overhead and similar charges). For all purposes of this Section, a well on any Subject Interest which may result from additional drilling or which may be the subject of recompletion, reworking, reconditioning, deepening, plugging back or other remedial or restorative process, or pressure maintenance or secondary recovery operations, shall be deemed to be capable of producing Hydrocarbons "in paying quantities" if in the light of conditions existing at the time of the determination and which are not of a temporary nature it is estimated that the aggregate value of the Subject Hydrocarbons to be produced from such well shall exceed the then estimated costs and expenses directly related to the operation and maintenance of such well (excluding office and management overhead and similar charges), as well as the costs and expenses directly related to providing the necessary installations for, and carrying out, any pressure maintenance or secondary or tertiary recovery operation properly allocable to such well and the costs and expenses directly related to recompleting, reworking, reconditioning, deepening, plug-