

1. DISCLAIMER/ASSUMPTION OF RISK

(a) It is expressly understood by the parties hereto that Assignor does not make any representations or warranties, express or implied, as to title or the condition and state of repair of the Property, its value, quality, merchantability, suitability or fitness for any uses or purposes, nor as to the current volume, nature, quality, classification, or value of the oil, gas or other mineral reserves thereunder or covered thereby, nor with respect to any appurtenances thereto belonging or in any wise appertaining to said Property, or otherwise. Assignor has advised Assignee and Assignee has acknowledged that certain spills of oil and chemicals from oil and gas exploration, development, or production (regulated or under the jurisdiction of the applicable commission, department or other governmental authority of the State of Texas) have occurred, or may have occurred, upon the Property, which could have resulted in contamination of the soil, water, ground water, or improvements on the Property; however, Assignor knows of no other wastes or other contaminants upon the Property which Assignee cannot discover by prudent examination and inspection of the Property, nor of any violation of any federal or state laws, rules or regulations, concerning environmental acts or hazards. Furthermore, Assignor has cautioned Assignee to thoroughly examine and inspect the Property for any such conditions or violations and generally as to the condition of the Property and its improvements, including a recommendation by Assignor to Assignee that Assignee engage an environmental consulting firm to make an environmental survey of the Property, and Assignee hereby acknowledges such obligations and assumes all liabilities associated therewith.

(b) Further, Assignee certifies that said Property (including, but not limited to, any oil, gas or other mineral reserves underlying said Property) has been carefully inspected by Assignee, that Assignee is familiar with its condition and value thereof, and the improvements and appurtenances (including electric wiring and machinery installed thereon) located on the Property, inclusive of any hydrocarbons, other soil contaminants or waste substances, whether similar or dissimilar, that may be present in the soil, water and groundwater, that Assignee has engaged such contractors or consultants as Assignee deems prudent for tests and surveys of the soil, water, groundwater, Wells and Equipment, and improvements on the Property, and that Assignee assumes any and all obligations, risks and liabilities associated therewith. Assignee acknowledges that the Property has been or may have been used in connection with oil, gas and other mineral exploration, development and operations, as well as with respect to processing and refining operations, and, as such, equipment, appurtenances, processing and other facilities, plants, buildings, structures, improvements, abandoned and other tanks and piping (including above ground and underground tanks and piping), storage facilities, gathering and distribution lines, wells and other petroleum production facilities and appurtenances which have not been excepted and excluded from this conveyance may be located thereon. Assignee further accepts said Property (including, but not limited to, any oil, gas or other minerals and/or mineral reserves underlying said Property) AS IS, WHERE IS, IN ITS PRESENT CONDITION AND STATE OF REPAIR, AND WITHOUT ANY REPRESENTATIONS, GUARANTIES, OR WARRANTIES, EXPRESS OR IMPLIED, AS TO ITS TITLE, VALUE, QUALITY, MERCHANTABILITY, OR ITS SUITABILITY OR FITNESS FOR ASSIGNEE'S INTENDED USE, OR FOR ANY USES OR PURPOSES WHATSOEVER, OR THAT SAID PROPERTY HAS BEEN RENDERED FREE FROM ANY DEFECTS, HAZARDS, OR DANGEROUS CONDITIONS. Furthermore, pursuant to Section 17.42 of the Texas Deceptive Trade Practices-Consumer Protection Act, Assignee hereby waives all and each part of said act and subchapter E of Chapter 17 of Title 2 of the Texas Business and Commerce Code, which contains the provisions of said act, with the exception only of Section 17.555 concerning contribution or indemnity.

Without limiting the generality of the foregoing but in furtherance of same, Assignee accepts the Property in its "as is, where is" condition. Assignor disclaims any and all liability arising in connection with any environmental matters, including, without limitation, any presence of Naturally Occurring Radioactive Material (NORM) on the Property. In addition, there are no warranties or representations, express or implied, as to the accuracy or completeness of any data, information or materials heretofore or hereafter furnished in connection with the Property or as to the quality or quantity of the hydrocarbon and any other mineral reserves, if any, attributable to the interest conveyed herein or the ability of the Property to produce hydrocarbons or any other minerals, and any and all data, information and material furnished by Assignor is provided as a convenience only and any reliance on or use of the same is at Assignee's sole risk.