

but never for less than the fair market value thereof at the wellhead when delivered, except that Production Payment Hydrocarbons sold and delivered under Production Sale Contracts shall be sold and delivered at the contract prices applicable thereto. The Production Payment Hydrocarbons shall be delivered to the credit of the Owner of the Production Payment, free of all Production Expenses, if, as and when produced, into the pipelines to which the wells producing the same may be connected, or to such other point of purchase in or near the field where produced as is reasonably required in the marketing thereof. Grantee shall duly perform all obligations performable by Grantee and, insofar as it can legally do so, will require its lessees or operators to perform all obligations performable by such lessees or operators under any Production Sale Contracts in accordance with the terms thereof and will take all appropriate measures to enforce performance under each Production Sale Contract of the obligations of the purchaser thereunder. Subject to the rights of purchasers under the Production Sale Contracts, and subject to the rights of the Owner of the Production Payment under Subdivision B of this Section 6, Grantee shall be entitled at any time and from time to time, to purchase all or any part of the Production Payment Hydrocarbons and, in such event, Grantee shall pay to the Owner of the Production Payment on or before the last day of each calendar month next succeeding the calendar month in which any Production Payment Hydrocarbons are purchased by Grantee, a price equal to the fair market value thereof at the wellhead at the time of purchase.

B. From time to time, upon the giving of at least sixty (60) days' prior written notice to Grantee, or its lessees, the Owner of the Production Payment shall be entitled to take in kind all or any part of the Production Payment Hydrocarbons, subject, however, to the rights of purchasers under then existing Production Sale Contracts. Each such notice shall specify the particular Subject Interest or Subject Interests from which Production Payment Hydrocarbons are to be taken in kind, and shall specify the date of commencement of the taking by the Owner of the Production Payment (which date shall be the first day of a calendar month) and each taking shall be for the period specified in the applicable notice, which shall not be less than one year. In event of such taking, the Owner of the Production Payment shall market such Production Payment