

and/or other liquid hydrocarbons produced and saved from the Property, except any used for operating purposes thereon. The price to be paid by Texaco to Lewis et al for such oil and/or liquid hydrocarbons, as it may elect to purchase hereunder, shall be Texaco Trading and Transportation Inc.'s posted price at the wells in Mississippi for substances of like kind, grade and having the same or nearest to the same gravity at the time of run.

Texaco's election to purchase said oil and/or other liquid hydrocarbons shall be given to Lewis et al in writing at least thirty (30) days prior to the time when purchases shall begin; and purchases by Texaco pursuant to such election shall continue until such date as may be specified by written notice from Texaco to Lewis et al, given at least thirty (30) days in advance, specifying a date for discontinuance of such purchases. The option hereinabove given is entirely separate as to oil and other liquid hydrocarbons, that is to say, Texaco may purchase the oil or any other liquid hydrocarbons, or any one or more of them, without purchasing the remaining products; and said option may be exercised as to any of the products from time to time.

In addition to the right granted to Texaco in the preceding paragraph to purchase all of the oil and/or other liquid hydrocarbons produced and saved from the Property, Lewis et al agree that should they receive from a third party a bona fide offer to purchase oil and/or other liquid hydrocarbons, Lewis et al shall give written notice of such offer to Texaco, who will have thirty (30) days from receipt of such notice to advise Lewis et al whether it wishes to purchase the production at the price provided for in the preceding paragraph. The failure of Texaco to timely respond to such notice shall constitute a waiver by Texaco of its right to purchase said production. Once waived, Texaco's right to purchase shall not be enforceable during the term of the proposed sale, should Lewis et al elect to accept the third party offer. Texaco's right to purchase production shall be a recurring one. Furthermore, Lewis et al agree that they will not dispose of such production under a sales contract that has a term longer than one (1) year.

Texaco shall have the right to review any files furnished to Lewis et al in connection with this Act of Sale.