

(i) "Oil" shall mean and be construed to include oil, condensate, distillate, and all hydrocarbons and other similar substances produced in a liquid state.

(ii) "Gas" shall mean and be construed to include gas (active and inert, such as helium), casinghead gas, all hydrocarbons and other similar substances produced in a gaseous state and gasoline, liquid hydrocarbons and other substances extracted therefrom.

(iii) "Minerals" shall mean and be construed to include, coal, lignite, uranium, thorium, vanadium, molybdenum, rhenium and other fissionable materials, geothermal energy (including geothermal steam, hydrostatic pressure, thermal energy, entrained methane and other geothermal substances and resources), and all other similar and dissimilar energy productive substances and resources, whether in a liquid, gaseous, or solid state, sulphur, iron ore and other ores from which metals may be commercially extracted, salt, zeolite, feldspar, bentonite, fullers earth and all precious metals and stones, regardless of the method used to explore for, extract or produce such materials and substances -- whether by shafts, wells in situ solution mining, surface or strip mining or any other mining methods or techniques (in past or current use or developed in the future); but, "minerals" shall not mean and shall exclude fresh or potable water, gravel, caliche, soil, shale, sand, clay and other materials and substances which are not energy productive and which are not any of the substances otherwise designated as minerals in this sub-paragraph (d)(iii), such excluded substances being hereby designated and defined as a part of the surface, to be exclusively owned, held, possessed and enjoyed by the owners of the surface estate.

(e) It is expressly understood that Grantor does not make any representations or warranties, express or implied, as to the condition and state of repair of the Property, its quality, merchantability, suitability or fitness for any uses or purposes, nor as to the current volume, nature, quality, classification, or value of timber thereon, nor with respect to any improvements, buildings, structures, facilities, tenements, hereditaments and appurtenances thereto belonging or in any wise appertaining to said Property, or otherwise. Grantor has advised Grantee that certain spills of oil and chemicals from oil and gas exploration, development, or production (regulated or under the jurisdiction of the Railroad Commission 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, Grantor knows of no other wastes or other contaminants upon the Property which Grantee 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, Grantor has cautioned Grantee 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 Grantor to Grantee that Grantee engage an environmental consulting firm to make an environmental survey of the Property.

Grantee certifies that said Property (including, but not limited to, any timber located thereon) has been carefully inspected, that Grantee has engaged such contractors or consultants as Grantee deems prudent for tests and surveys of the soil, water, ground water and improvements (including plumbing, electrical wiring and equipment and machinery installed thereon) on the Property, and that Grantee is familiar with the Property's condition, inclusive of any hydrocarbons, other soil contaminants or waste substances, whether similar or dissimilar, that may be present in the soil, water, and ground water, and assumes all risks and liabilities associated therewith. Grantee acknowledges that the Property has been or may have been used in connection with oil, gas and other mineral exploration, development and 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