

products recovered to be at the same price and under the same terms and conditions offered to Assignee in any bona fide offer from a third party purchaser. If Assignee does not have a bona fide offer from a third party purchaser, then the price will be determined on the basis of an agreement between CHEVRON and Assignee containing terms generally acceptable in the area.

(ii) Third Party Offers. If Assignee receives from a responsible, unaffiliated third party a bona fide offer acceptable to Assignee to purchase Liquid Hydrocarbons or purchase and/or process Gaseous Hydrocarbons from the Assigned Assets it receives, Assignee shall furnish CHEVRON a copy of this offer as written on the letterhead of the third party offeror. CHEVRON shall then have seven (7) days after receiving a copy of the offer to either waive its right or elect to purchase and/or process the Liquid Hydrocarbons or Gaseous Hydrocarbons, as applicable, on terms substantially equivalent to those offered to Assignee by the third party offeror or on more favorable terms and conditions to Assignee. Failure to timely reply to Assignee's notice will be a one-time waiver of CHEVRON's preferential rights under this Section 6(c). Once waived, and if Assignee accepts the third party offer, the preferential rights under this Section 6(c) will not be enforceable during the term of any sale or processing contract between Assignee and the third party offeror. However, Assignee agrees not to enter into any sale or processing contract with a third party offeror with a term in excess of six months in duration.

(iii) Miscellaneous. The preferential rights in this Section 6(c) shall be subject to the expiration of any existing contracts for the purchase of Liquid Hydrocarbons or Gaseous Hydrocarbons from the Assigned Assets between CHEVRON and third party purchasers that are assigned to Assignee as part of the Related Contracts.

The failure of CHEVRON to exercise its preferential rights to purchase Liquid Hydrocarbons or Gaseous Hydrocarbons from the Assigned Assets under this Section 6(c) at any time or times shall not constitute a waiver of those preferential rights.

For the purposes of this Assignment, any exchange or other disposition of Liquid Hydrocarbons or Gaseous Hydrocarbons from the Assigned Assets will be considered a sale under this Section 6(c) and subject to CHEVRON's preferential rights under this Section 6(c). The preferential rights in this Section 6(c) shall be a covenant running with the land.

## **7. Interim Operations and Risk of Loss**

After the date of this Assignment and prior to the Effective Date, as to any of the Assigned Assets operated by Chevron, Chevron, in its sole discretion, shall use, operate and maintain the Assigned Assets in substantially the same manner in which they have been used, operated and maintained prior to this Assignment. During the period from the date of this Assignment to the Effective Date, Chevron, as operator, shall have no