

Section 16. Warranties by Grantor. Grantor warrants to Grantee and to Grantee's successors and assigns, that, at and until delivery of this Conveyance to Grantee, Grantor is the true and lawful owner of, and has full right and authority to sell and convey, as herein provided, the Subject Interests and Assigned Appurtenances; that the oil, gas and mineral leases described in Exhibit A are valid and subsisting and in full force and effect, and that, at and until the execution and delivery of this Conveyance, Grantor has good title, free from all liens, charges and encumbrances to the leasehold interests, and royalty and mineral interests as are specified in Exhibit A, subject only to (a) the existing Production Sale Contracts, (b) the lien of ad valorem taxes not yet due and payable, (c) the liens, charges and encumbrances, if any, specified in Exhibit A, and (d) the unitization and pooling agreements and operating agreements, if any, described in Exhibit A; that all rentals and royalties due and payable under said leases have been duly paid, and no default now exists under said leases; that ownership of the leases, royalties and minerals entitles Grantor, at and until the delivery of this Conveyance, to receive not less than the interest specified in connection with each parcel included in Exhibit A; that Grantor is not obligated by virtue of any prepayment made under any Production Sale Contract containing a "take or pay" clause or under any similar arrangement, to deliver Subject Hydrocarbons at some future time without then or thereafter receiving full payment therefor; and that Grantor will warrant and forever defend the Subject Interests and Assigned Appurtenances unto Grantee against every person whomsoever now or at any time hereafter lawfully claiming the same or any part thereof; subject, however, to the Production Payment and existing Production Sale Contracts and excepting ad valorem taxes now a lien but not yet due and payable. This Conveyance is made with full substitution and subrogation of Grantee in and to all covenants and warranties by others heretofore given or made in respect of any of the Subject Interests or Assigned Appurtenances or any part thereof.

Section 17. Further Assurances. So long as authorized by applicable law so to do, the Owner of the Production Payment and Grantee will execute, acknowledge and deliver all such other and additional instruments, notices, releases, acquittances and other documents, and will do all such other acts and things, as