

any such adverse claim or demand, including (but not limited to) the employment of counsel for the prosecution or defense of litigation and the contest, release or discharge of such adverse claim or demand;

E. Cause the Subject Interests to be kept free and clear of liens, charges and encumbrances of every character, other than (1) taxes constituting a lien, but not due and payable, (2) defects or irregularities in title, and liens, charges or encumbrances, which are not such as to interfere materially with the development, operation or value of the Subject Interests and not such as to materially affect title thereto, (3) Production Sale Contracts, (4) those being contested by Grantee in good faith in such manner as not to jeopardize the Owner of the Production Payment's rights in and to Production Payment and Production Payment Hydrocarbons, and (5) those consented to in writing by the Owner of the Production Payment.

Section 10. Abandonment of Wells or Surrender or Transfer of Subject Interests. So long as the Production Payment remains in force, Grantee shall not, without first obtaining the written consent of the Owner of the Production Payment, and, insofar as it can legally do so, shall not allow any of its lessees to (1) abandon any well heretofore or hereafter completed for production of Hydrocarbons on any of the lands described in Exhibit A, (2) surrender or release any Subject Interest or any part thereof, (3) sell, assign, lease or otherwise transfer Grantee's interest in any of the Subject Interests, either in whole or in part, or (4) if Grantee is a corporation, be a party to any merger or consolidation; provided, however, that, without the consent of the Owner of the Production Payment:

If and when, in Grantee's reasonable judgment, or in the reasonable judgment of Grantee's lessees, exercised in good faith and as would a prudent operator, a well is no longer capable of producing Hydrocarbons in paying quantities and it would not be economically feasible to restore the productivity of such well by reworking, reconditioning, deepening, plugging back, or otherwise,