

7. all hydrocarbons and minerals produced from the Leases from and after the Effective Time ("Production").

The Leases, Wells, Interests, Agreements, Equipment, Easements and Production are collectively referred to herein as the "Assets".

B. THIS ASSIGNMENT IS MADE WITHOUT WARRANTY OF TITLE, EXPRESS OR IMPLIED. ANY COVENANTS IMPLIED BY STATUTE OR LAW OR BY THE USE OF THE WORDS "TRANSFER", "GRANT", "BARGAIN", "SELL", "CONVEY", "ASSIGN", OR "DELIVER", OR OTHER SIMILAR WORDS ARE HEREBY EXPRESSLY RESTRAINED, DISCLAIMED, WAIVED, AND NEGATED. THIS ASSIGNMENT IS MADE WITHOUT ANY OTHER REPRESENTATION OR WARRANTY OF ANY TYPE WHATSOEVER, WHETHER EXPRESS, STATUTORY OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTY OF FITNESS FOR ANY PURPOSE, CONDITIONS OR MERCHANTABILITY, AND WITHOUT WARRANTY OF ANY KIND OR NATURE WHATSOEVER RELATING TO THE PHYSICAL, OPERATIONAL OR ENVIRONMENTAL CONDITION OF THE ASSETS. WITHOUT LIMITING THE FOREGOING, ALL PERSONAL PROPERTY, FIXTURES, EQUIPMENT, IMPROVEMENTS AND APPURTENANCES ASSIGNED HEREIN ARE TRANSFERRED BY ASSIGNOR AND ACCEPTED BY ASSIGNEE "AS IS, WHERE IS AND WITH ALL FAULTS."

C. Prior to execution of this Assignment, Assignee acknowledges that it has had the opportunity to inspect the Assets and premises and satisfy itself as to their physical and environmental conditions, both surface and subsurface, and to examine the records of Assignor pertaining to the rights assigned herein and has had access to the information in Assignor's possession with respect thereto. Assignee acknowledges that Assignor has made no representations or warranties, verbal or otherwise, as to the accuracy, usefulness, completeness or reliability of any Assignor information relating to the Assets, including without limitation Assignor's books and records, or as to Assignor's title to the Assets and rights and obligations assigned hereby. Assignee has relied and will rely solely on its independent investigation and judgment with respect to the Assets, their value and Assignor's title thereto.

D. As of the Effective Time, Assignee covenants and agrees to assume, pay for, perform and comply with all of the duties, liabilities and obligations (express or implied) which are binding upon Assignor that relate to or are attributable to the Assets, including but not limited to lease terms, other leasehold burdens, applicable governmental orders, statutes, regulations and ordinances, and all other valid recorded and unrecorded agreements, contracts and instruments affecting the Assets. Without limiting the generality of the foregoing, Assignee covenants and agrees, as of the Effective Time, to assume Assignor's obligations relating to (1) the plugging, replugging and abandonment of all present and future wells located on or appurtenant to the Assets regardless of the date such wells were abandoned; (2) the removal and disposal of all Facilities, structures and equipment now or hereafter located on or comprising part of the Assets; (3) the necessary and proper capping and burying of all flow lines and/or pipelines now or hereafter located on or comprising a part of the Assets or removing if required by proper governmental authorities of all flow lines and/or pipelines now or hereafter located on or comprising a part of the Assets; and (4) the restoration of the leasehold premises of the Assets.

E. Notwithstanding any other provision contained herein, Assignee acknowledges that some oilfield production equipment may contain asbestos and/or naturally occurring radioactive material ("NORM"). Assignee expressly understands that NORM may affix or attach itself to inside of wells, materials and equipment as scale or in other forms, and that wells, materials and equipment located on the Assets may contain NORM and that NORM-containing materials may be buried or have been otherwise disposed of on the Assets. Assignee also expressly understands that special procedures may be required for the removal and disposal of asbestos and NORM from the Assets where it may be found, and that Assignee assumes all liability when such activities are performed.