

(c) If Lessee becomes insolvent or bankrupt or admits its inability to pay its debts as they may mature, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee or receiver for the Lessee, or for the major part of its property;

(d) If a trustee or receiver is appointed for Lessee or for the major part of its property and is not discharged within 30 days after such appointment;

(e) Bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors, are instituted by or against Lessee, and if instituted against Lessee are allowed against Lessee or are consented to or are not dismissed within 30 days after such institution;

then in any such case Lessor may at its option exercise any one or more of the following remedies:

(i) Lessor may terminate this Lease by giving to Lessee notice of Lessor's intention so to do, in which event the term of this Lease shall end, and all right, title and interest of Lessee hereunder shall expire on the date stated in such notice which shall not be less than 10 days after the date of the notice by Lessor of its intention so to terminate;

(ii) Lessor may terminate the right of Lessee to possession of the Properties by giving notice to Lessee that Lessee's right of possession shall end on the date stated in such notice which shall not be less than 10 days from the date of such notice, whereupon the right of Lessee to the possession of the Properties or any part thereof shall cease on the date stated in such notice;

(iii) Lessor may enforce the provisions of this Lease and may enforce and protect the rights of Lessor hereunder by a suit or suits in equity or at law for the specific performance of any covenant or agreement contained herein or for the enforcement of any other appropriate legal or equitable remedy.

If Lessor exercises either of the remedies provided for in subparagraphs (i) or (ii) above, Lessor may then or at any time thereafter re-enter and take complete and peaceful possession of the Properties, with or without process of law, and may remove all persons therefrom and Lessee covenants in any such event peacefully and quietly to yield up and surrender the Properties to Lessor.

If Lessor terminates the right of possession as provided in subparagraph (ii) above, Lessor may re-enter the Properties and take possession of all thereof (including any and all equipment and apparatus thereon), may remove any portion of the equipment, machinery or apparatus thereon which Lessor elects so to do, and may sublet or re-let the Properties or any part thereof from time to time for all or any part of the unexpired part of the term hereof, or for a longer period, and Lessor may collect the rents from such re-letting or subletting, and apply the same, first, to the payment of the expense of re-entry and re-letting, and, secondly, to the rentals herein provided to be paid by Lessee, and in the event that the proceeds of such re-letting or subletting are not sufficient to pay in full the foregoing, Lessee shall remain and be liable therefor, and Lessee promises and agrees to pay the amount of any such deficiency from time to time and Lessor may at any time and from time to time sue and recover judgment for any such deficiency or deficiencies.

In the event of the termination of this Lease by Lessor as provided for by subparagraph (i) above, Lessor shall be entitled to recover from Lessee all the rentals accrued and unpaid for the period up to and including such termination date, as well as all other additional sums payable by Lessee, or for which Lessee is liable or in respect of which Lessee under any of the provisions hereof has agreed to indemnify Lessor, which may be then owing and unpaid, and all costs and expenses, including court costs and attorneys' fees incurred by Lessor in the enforcement of its rights and remedies hereunder, and in addition Lessor shall be entitled to recover as damages for loss of the bargain and not as a penalty, an aggregate sum which at the time of such termination represents (a) the

excess, if any, of the then present value of the aggregate rents which would have accrued for the balance of the term over the then present value of the then aggregate fair rental value of the Properties for the balance of such applicable term, such present worth to be computed in each case on the basis of a 5% per annum discount, from the respective dates upon which such rentals would have been payable hereunder had this Lease not been terminated, and (b) any damages in addition thereto, including reasonable attorneys' fees and court costs, which Lessor shall have sustained by reason of the breach of any of the covenants of this Lease other than for the payment of rent.

SECTION 12. *Counterparts.* This Lease has been executed and delivered in numerous counterparts, but it is intended that all counterparts together shall constitute only one Lease.

SECTION 13. *Notices.* All notices given pursuant to this Lease to Lessor and Lessee shall be in writing and may be delivered to them by mail, telegraph or messenger, at their respective addresses as follows:

Lessor—Tennessee Production Company,
P. O. Box 2511,
Houston, Texas.

(or such other address as Lessor shall designate by written notice to Lessee)

Lessee—Tennessee Oil Company,
P. O. Box 18,
Houston, Texas.

(or such other address as Lessee shall designate by written notice to Lessor)

SECTION 14. This Lease and every provision hereof shall be binding upon and inure to the benefit of the successors and assigns of Lessor and Lessee.

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective corporate names to be hereto subscribed respectively by proper officers thereof, hereunto duly authorized, and their respective corporate seals to be hereto affixed and attested respectively by proper officers thereof, hereunto duly authorized.

TENNESSEE PRODUCTION COMPANY,

Lessor

By *Stanley J. Finkbeiner*

Vice President

ATTEST:

J. P. Spencer
Assistant Secretary

Signed, sealed and delivered by TENNESSEE PRODUCTION COMPANY in the presence of:

W. E. Stand

Witness

W. E. Stand
Witness

Notary Public in and for
Harris County, Texas

SUE ABBOTT

Notary Public in and for Harris County Texas
My Commission Expires June 1, 19...