ARTICLE 17 – TITLE DISPUTES

EXISTING LEASE LANGUAGE (REV. 2000)

18. In the event of any bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the leased premises, Lessee agrees to promptly notify Lessor in writing of the nature of said adverse claim in reasonable detail, identifying the adverse claimant, and the basis and extent of Lessee’s accountability to said adverse claimant for any oil, gas or other liquid or gaseous mineral produced from or attributable to such portion of the leased premises. Pending final and definitive adjudication or other settlement of said title dispute or litigation the royalties payable hereunder on oil, gas or other liquid or gaseous mineral produced from or attributable to only such portion of the leased premises may be reduced by Lessee, with prior written consent of Lessor, to one-half (1/2) of the royalties on production of said minerals herein elsewhere stipulated, but not below the minimum royalties of one-eighth (1/8th) on said minerals as required by L.R.S. 30:127, said reduced royalties on said minerals to be computed and paid or delivered to Lessor in the same manner as the royalties on said minerals herein elsewhere stipulated. Pending final and definitive adjudication or other settlement of said dispute or litigation, Lessee shall pay or deliver and Lessor shall accept said reduced royalties on production of said minerals as full payment of all royalties due hereunder on production of said minerals from said portion of the leased premises; and, Lessee shall have no right to suspend, fail to pay or recover said reduced royalties on production of said minerals. When said title dispute or litigation shall be finally resolved, whether by final and definitive judgment of court or other settlement, then the payment or delivery of said reduced royalties on production of said minerals shall cease, effective as of the effective date of said final and definitive adjudication or other settlement; and, from and after the effective date thereof, but not retroactively, royalties on said production of said minerals shall be paid or delivered in accordance with said final and definitive adjudication or other settlement and pursuant to the other provisions of this lease. All of the foregoing provisions of this paragraph are subject to Lessee’s right to release as otherwise provided in this lease.

AUGUST 2016 DRAFT LANGUAGE

(A) In the event of a bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and upon Lessor’s request provide any information and/or documentation in Lessee’s possession or to which Lessee has access regarding such dispute, including the identity of the adverse claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee to secure any such data solely for the purpose of this Article.

(B) During the pendency of and through resolution of the dispute or litigation, Lessee shall comply with all terms, provisions and requirements of this Lease, including the payment of royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making royalty payments in compliance with this Lease. However, in lieu of making said payments directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or litigation, Lessee may:
(1) Request and obtain authorization from Lessor to suspend the direct payment of royalty due on the production attributable to the disputed acreage, deposit the royalty payments into an interest bearing escrow account at a FDIC insured financial institution having a presence within the State and otherwise fully comply with the title dispute protocol approved by Lessor; or

(2) Initiate a concursus proceeding and deposit the royalty payments attributable to the disputed acreage into the court registry; or

(3) Take other action as authorized by Lessor.

(C) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed acreage such that Lessee shall not be held in default in payment of royalty if properly computed and timely made in accordance with the terms and provisions of this Lease, pursuant to an order of the court or in accordance with Lessor’s authorization.

(D) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the event an audit or other examination should reveal that the sums deposited into an escrow account or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty amounts determined to be due and owing, and may be subject to payment of interest and penalties as required by law or the terms of this Lease.

(E) Upon termination of any escrow authority, concursus proceeding or other action authorized by Lessor, royalty payments due on the production attributable to the disputed acreage shall be made in accordance with the terms of any settlement, compromise or final, definitive adjudication and pursuant to the terms and provisions of this Lease.

**PROPOSED RE-WRITE (TRACK CHANGES) 05/10/2017**

(A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted without any warranty of title and without any recourse against Lessor whatsoever, either express or implied. It is expressly agreed that Lessor shall not be required to return any payments received hereunder or be otherwise responsible to Lessee therefor. Lessee represents that it has investigated title to the Leased Premises and is satisfied with such title as Lessor may have. Lessor hereby disclaims any covenant of quiet enjoyment or peaceful possession of the Leased Premises.

(BA) In the event of a bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and upon Lessor’s request provide any information and/or documentation in Lessee’s possession or to which Lessee has access regarding such dispute, including the identity of the adverse
claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee
to secure any such data solely for the purpose of this Article.

(CB) During the pendency of and through resolution of the dispute or litigation, Lessee shall
comply with all terms, provisions and requirements of this Lease, including the payment of
royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making
royalty payments in compliance with this Lease. However, in lieu of making said payments
directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or
litigation, Lessee may:

(1) Request and obtain authorization from Lessor to suspend the direct payment of
royalty due on the production attributable to the disputed acreage, deposit the royalty payments
into an interest bearing escrow account at a FDIC insured financial institution having a presence
within the State and otherwise fully comply with the title dispute protocol approved by Lessor;
or

(2) Initiate a concursus proceeding and deposit the royalty payments attributable to
the disputed acreage into the court registry; or

(3) Take other action as authorized by Lessor.

(DE) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed
acreage such that Lessee shall not be held in default in payment of royalty if properly computed
and timely made in accordance with the terms and provisions of this Lease, pursuant to an order
of the court or in accordance with Lessor’s authorization.

(ED) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights
Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or
not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the
event an audit or other examination should reveal that the sums deposited into an escrow account
or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty
amounts determined to be due and owing, and may be subject to payment of interest and
penalties as required by law or the terms of this Lease.

(EE) Upon termination of any escrow authority, concursus proceeding or other action
authorized by Lessor, royalty payments due on the production attributable to the disputed
acreage shall be made in accordance with the terms of any settlement, compromise or final,
definitive adjudication and pursuant to the terms and provisions of this Lease.
(A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted without any warranty of title and without any recourse against Lessor whatsoever, either express or implied. It is expressly agreed that Lessor shall not be required to return any payments received hereunder or be otherwise responsible to Lessee therefor. Lessee represents that it has investigated title to the Leased Premises and is satisfied with such title as Lessor may have. Lessor hereby disclaims any covenant of quiet enjoyment or peaceful possession of the Leased Premises.

(B) In the event of a bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and upon Lessor’s request provide any information and/or documentation in Lessee’s possession or to which Lessee has access regarding such dispute, including the identity of the adverse claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee to secure any such data solely for the purpose of this Article.

(C) During the pendency of and through resolution of the dispute or litigation, Lessee shall comply with all terms, provisions and requirements of this Lease, including the payment of royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making royalty payments in compliance with this Lease. However, in lieu of making said payments directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or litigation, Lessee may:

1. Request and obtain authorization from Lessor to suspend the direct payment of royalty due on the production attributable to the disputed acreage, deposit the royalty payments into an interest bearing escrow account at a FDIC insured financial institution having a presence within the State and otherwise fully comply with the title dispute protocol approved by Lessor; or

2. Initiate a concursus proceeding and deposit the royalty payments attributable to the disputed acreage into the court registry; or

3. Take other action as authorized by Lessor.

(D) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed acreage such that Lessee shall not be held in default in payment of royalty if properly computed and timely made in accordance with the terms and provisions of this Lease, pursuant to an order of the court or in accordance with Lessor’s authorization.

(E) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the event an audit or other examination should reveal that the sums deposited
into an escrow account or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty amounts determined to be due and owing, and may be subject to payment of interest and penalties as required by law or the terms of this Lease.

(F) Upon termination of any escrow authority, concursus proceeding or other action authorized by Lessor, royalty payments due on the production attributable to the disputed acreage shall be made in accordance with the terms of any settlement, compromise or final, definitive adjudication and pursuant to the terms and provisions of this Lease.

PROPOSED RE-WRITE (TRACK CHANGES) 06/14/2017

(A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted without any warranty of title and without any recourse against Lessor whatsoever, either express or implied. It is expressly agreed that, except as Lessor may expressly authorize hereafter at its sole discretion, Lessor shall not be required to return any payments received hereunder or be otherwise responsible to Lessee therefor. However, in no event shall Lessor be required to return any cash bonus payments or Leasehold Payments received hereunder or be responsible to Lessee therefor. Lessee represents that it has investigated title to the Leased Premises and is satisfied with such title as Lessor may have. Lessor hereby disclaims any covenant of quiet enjoyment or peaceful possession of the Leased Premises.

(B) In the event of a bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and upon Lessor’s request provide any information and/or documentation in Lessee’s possession or to which Lessee has access regarding such dispute, including the identity of the adverse claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee to secure any such data solely for the purpose of this Article.

(C) During the pendency of and through resolution of the dispute or litigation, Lessee shall comply with all terms, provisions and requirements of this Lease, including the payment of royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making royalty payments in compliance with this Lease. However, in lieu of making said payments directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or litigation, Lessee may:

(1) Request and obtain authorization from Lessor to suspend the direct payment of royalty due on the production attributable to the disputed acreage, deposit the royalty payments into an interest bearing escrow account at a FDIC insured financial institution having a presence within the State and otherwise fully comply with the title dispute protocol approved by Lessor; or

(2) Initiate a concursus proceeding and deposit the royalty payments attributable to the disputed acreage into the court registry; or
(3) Take other action as authorized by Lessor.

(D) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed acreage such that Lessee shall not be held in default in payment of royalty if properly computed and timely made in accordance with the terms and provisions of this Lease, pursuant to an order of the court or in accordance with Lessor’s authorization.

(E) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the event an audit or other examination should reveal that the sums deposited into an escrow account or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty amounts determined to be due and owing, and may be subject to payment of interest and penalties as required by law or the terms of this Lease.

(F) Upon termination of any escrow authority, concursus proceeding or other action authorized by Lessor, royalty payments due on the production attributable to the disputed acreage shall be made in accordance with the terms of any settlement, compromise or final, definitive adjudication and pursuant to the terms and provisions of this Lease.

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PROPOSED RE-WRITE (CLEAN VERSION) 06/14/2017

(A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted without any warranty of title and without any recourse against Lessor whatsoever, either express or implied. It is expressly agreed that, except as Lessor may expressly authorize hereafter at its sole discretion, Lessor shall not be required to return any payments received hereunder or be otherwise responsible to Lessee therefor. However, in no event shall Lessor be required to return any cash bonus payments or Leasehold Payments received hereunder or be responsible to Lessee therefor. Lessor hereby disclaims any covenant of quiet enjoyment or peaceful possession of the Leased Premises.

(B) In the event of a bona fide dispute or litigation involving Lessor’s ownership or title to any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and upon Lessor’s request provide any information and/or documentation in Lessee’s possession or to which Lessee has access regarding such dispute, including the identity of the adverse claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee to secure any such data solely for the purpose of this Article.

(C) During the pendency of and through resolution of the dispute or litigation, Lessee shall comply with all terms, provisions and requirements of this Lease, including the payment of royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making royalty payments in compliance with this Lease. However, in lieu of
making said payments directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or litigation, Lessee may:

(1) Request and obtain authorization from Lessor to suspend the direct payment of royalty due on the production attributable to the disputed acreage, deposit the royalty payments into an interest bearing escrow account at a FDIC insured financial institution having a presence within the State and otherwise fully comply with the title dispute protocol approved by Lessor; or

(2) Initiate a concursus proceeding and deposit the royalty payments attributable to the disputed acreage into the court registry; or

(3) Take other action as authorized by Lessor.

(D) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed acreage such that Lessee shall not be held in default in payment of royalty if properly computed and timely made in accordance with the terms and provisions of this Lease, pursuant to an order of the court or in accordance with Lessor’s authorization.

(E) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the event an audit or other examination should reveal that the sums deposited into an escrow account or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty amounts determined to be due and owing, and may be subject to payment of interest and penalties as required by law or the terms of this Lease.

(F) Upon termination of any escrow authority, concursus proceeding or other action authorized by Lessor, royalty payments due on the production attributable to the disputed acreage shall be made in accordance with the terms of any settlement, compromise or final, definitive adjudication and pursuant to the terms and provisions of this Lease.