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**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  
2 (1) Request and obtain authorization from Lessor to suspend the direct payment of  
3 royalty due on the production attributable to the disputed acreage, deposit the  
4 royalty payments into an interest bearing escrow account at a FDIC insured  
5 financial institution having a presence within the State and otherwise fully comply  
6 with the title dispute protocol approved by Lessor; or  
7  
8 (2) Initiate a concursus proceeding and deposit the royalty payments attributable to  
9 the disputed acreage into the court registry; or  
10  
11 (3) Take other action as authorized by Lessor.  
12  
13 (C) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed  
14 acreage such that Lessee shall not be held in default in payment of royalty if properly  
15 computed and timely made in accordance with the terms and provisions of this Lease,  
16 pursuant to an order of the court or in accordance with Lessor's authorization.  
17  
18 (D) Nothing herein is intended to waive, release, relinquish or in any way diminish any rights  
19 Lessor may have to review, examine, audit, dispute, challenge or contest any payments  
20 made or not made by or on behalf of Lessee on the production attributable to the disputed  
21 acreage. In the event an audit or other examination should reveal that the sums deposited  
22 into an escrow account or into the registry of the court are incorrect, Lessee shall remain  
23 fully responsible for all royalty amounts determined to be due and owing, and may be  
24 subject to payment of interest and penalties as required by law or the terms of this Lease.  
25  
26 (E) Upon termination of any escrow authority, concursus proceeding or other action  
27 authorized by Lessor, royalty payments due on the production attributable to the disputed  
28 acreage shall be made in accordance with the terms of any settlement, compromise or  
29 final, definitive adjudication and pursuant to the terms and provisions of this Lease.

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

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

38  
39 (BA) In the event of a bona fide dispute or litigation involving Lessor's ownership or title to  
40 any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and  
41 upon Lessor's request provide any information and/or documentation in Lessee's possession or  
42 to which Lessee has access regarding such dispute, including the identity of the adverse

1 claimant(s) and the nature of the dispute. Nothing herein shall be construed as requiring Lessee  
2 to secure any such data solely for the purpose of this Article.

3  
4 | ~~(CB)~~ During the pendency of and through resolution of the dispute or litigation, Lessee shall  
5 comply with all terms, provisions and requirements of this Lease, including the payment of  
6 royalty, and shall be deemed in default of payment of royalty if Lessee suspends or stops making  
7 royalty payments in compliance with this Lease. However, in lieu of making said payments  
8 directly to Lessor, pending settlement or final and definitive adjudication of the title dispute or  
9 litigation, Lessee may:

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

16  
17 (2) Initiate a concursus proceeding and deposit the royalty payments attributable to  
18 the disputed acreage into the court registry; or

19  
20 (3) Take other action as authorized by Lessor.

21  
22 | ~~(DE)~~ Lessor shall accept the funds so deposited as royalty payments attributable to the disputed  
23 acreage such that Lessee shall not be held in default in payment of royalty if properly computed  
24 and timely made in accordance with the terms and provisions of this Lease, pursuant to an order  
25 of the court or in accordance with Lessor's authorization.

26  
27 | ~~(ED)~~ Nothing herein is intended to waive, release, relinquish or in any way diminish any rights  
28 Lessor may have to review, examine, audit, dispute, challenge or contest any payments made or  
29 not made by or on behalf of Lessee on the production attributable to the disputed acreage. In the  
30 event an audit or other examination should reveal that the sums deposited into an escrow account  
31 or into the registry of the court are incorrect, Lessee shall remain fully responsible for all royalty  
32 amounts determined to be due and owing, and may be subject to payment of interest and  
33 penalties as required by law or the terms of this Lease.

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

**PROPOSED RE-WRITE (CLEAN VERSION) 05/10/2017**

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3 (A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted  
4 without any warranty of title and without any recourse against Lessor whatsoever, either  
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6 payments received hereunder or be otherwise responsible to Lessee therefor. Lessee  
7 represents that it has investigated title to the Leased Premises and is satisfied with such  
8 title as Lessor may have. Lessor hereby disclaims any covenant of quiet enjoyment or  
9 peaceful possession of the Leased Premises.  
10  
11 (B) In the event of a bona fide dispute or litigation involving Lessor's ownership or title to  
12 any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing,  
13 and upon Lessor's request provide any information and/or documentation in Lessee's  
14 possession or to which Lessee has access regarding such dispute, including the identity of  
15 the adverse claimant(s) and the nature of the dispute. Nothing herein shall be construed as  
16 requiring Lessee to secure any such data solely for the purpose of this Article.  
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18 (C) During the pendency of and through resolution of the dispute or litigation, Lessee shall  
19 comply with all terms, provisions and requirements of this Lease, including the payment  
20 of royalty, and shall be deemed in default of payment of royalty if Lessee suspends or  
21 stops making royalty payments in compliance with this Lease. However, in lieu of  
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29 financial institution having a presence within the State and otherwise fully comply  
30 with the title dispute protocol approved by Lessor; or  
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32 (2) Initiate a concursus proceeding and deposit the royalty payments attributable to  
33 the disputed acreage into the court registry; or  
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35 (3) Take other action as authorized by Lessor.  
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37 (D) Lessor shall accept the funds so deposited as royalty payments attributable to the disputed  
38 acreage such that Lessee shall not be held in default in payment of royalty if properly  
39 computed and timely made in accordance with the terms and provisions of this Lease,  
40 pursuant to an order of the court or in accordance with Lessor's authorization.  
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5 (F) Upon termination of any escrow authority, concursus proceeding or other action  
6 authorized by Lessor, royalty payments due on the production attributable to the disputed  
7 acreage shall be made in accordance with the terms of any settlement, compromise or  
8 final, definitive adjudication and pursuant to the terms and provisions of this Lease.  
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10 **PROPOSED RE-WRITE (TRACK CHANGES) 06/14/2017**

11 (A) Notwithstanding any provision herein to the contrary, this Lease is granted and accepted  
12 without any warranty of title and without any recourse against Lessor whatsoever, either express  
13 or implied. It is expressly agreed that, except as Lessor may expressly authorize hereafter at its  
14 sole discretion, Lessor shall not be required to return any payments received hereunder or be  
15 otherwise responsible to Lessee therefor. However, in no event shall Lessor be required to return  
16 any cash bonus payments or Leasehold Payments received hereunder or be responsible to Lessee  
17 therefor. Lessee represents that it has investigated title to the Leased Premises and is satisfied  
18 with such title as Lessor may have. Lessor hereby disclaims any covenant of quiet enjoyment or  
19 peaceful possession of the Leased Premises.  
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21 (B) In the event of a bona fide dispute or litigation involving Lessor's ownership or title to  
22 any portion of the Leased Premises, Lessee agrees to promptly notify Lessor, in writing, and  
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33 (B) In the event of a bona fide dispute or litigation involving Lessor's ownership or title to  
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