

and expenses incurred by Lessor necessarily or with consent or approval of Lessee, in connection with such condemnation or sale. Lessor shall have the right, with the consent of Lessee, to sell any Property or any part thereof to any Government, governmental agency or corporation having the power of eminent domain; whenever condemnation thereof is threatened, provided that the proceeds of such sale shall always be paid to Lessee. Lessee shall, within a reasonable time after receipt of proceeds from a property or any part thereof resulting from condemnation or threat thereof, as provided above, notify Lessor that Lessee elects that a substitute property be substituted for the Property or the part thereof so condemned or sold in accordance with the terms of Section 3 hereof.

In the event less than all of a Property is condemned or sold in accordance with the provisions of the preceding paragraph, Lessee may, at its option, pay over the proceeds of such condemnation or sale to Lessor and deliver to Lessor a certificate signed by its President, Vice President or chief financial officer to the effect that such partial condemnation or sale will not diminish the net book value of such Property and thereupon the Lessee shall not be required to substitute property for the portion of such Property so condemned or sold.

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

Signed, sealed and delivered by Tennessee Production Company in the presence of:

TENNESSEE PRODUCTION COMPANY

By E. J. Hopper
Vice President

D. G. Ames
Witness

ATTEST:

Pat J. Dyer
Witness

L. R. Dyer
Secretary

Mary Helen Baker
Notary Public in and for Harris County, Texas