

L E A S E

THIS INDENTURE OF LEASE (hereinafter called "Lease") dated as of October 1, 1961, for convenience, but actually executed by the parties hereto on the dates shown on the notarial certificates, between **TENNESSEE PRODUCTION COMPANY**, a Delaware corporation (hereinafter called "Lessor"), and **TENNECO OIL COMPANY**, a Delaware corporation (hereinafter called "Lessee"),

WITNESSETH:

Lessor, for and in consideration of the payments hereinafter stipulated to be made by Lessee, and the covenants and agreements hereinafter contained to be kept and performed by Lessee, does by these presents demise, lease and sublease and let and sublet unto Lessee, for the term and upon the conditions hereinafter stated, the lands and premises, leases and leasehold estates described in Schedules 1 and 2 hereto attached and by reference thereto made a part hereof for all purposes, together with all property and equipment of whatsoever character owned by Lessor or in which Lessor has an interest located thereon, and all rights of way or use, servitudes, licenses and easements appurtenant thereto. The said lands and premises, leases, leasehold estates, property, equipment, and appurtenances are hereinafter referred to as the "Properties".

The Properties are now being used for and in connection with, and are adapted to, the extraction, transportation and marketing of petroleum products. Lessee is granted the right to use the Properties for the purpose for which they are now being used or for any other lawful purpose.

SECTION 1. Term. Subject to the further provisions hereof, this Lease shall remain in force and effect for a term commencing October 1, 1961 and ending on October 1, 1976.

SECTION 2. Rentals. As a rental consideration herefor, Lessee hereby binds and obligates itself to pay to Lessor at Lessor's office in the City of Houston, Harris County, Texas, or such other place as Lessor from time to time may designate in writing, the following sums, to-wit:

(A) The sum of \$12,304,705 payable in quarter-annual installments on the respective dates set forth in Schedule 3 and in the amounts set forth opposite each such date in Schedule 3, said Schedule 3 being attached hereto and by reference thereto made a part hereof for all purposes; and

(B) A sum payable within 90 days after the end of each calendar year during the term hereof, beginning with the year ending December 31, 1961, equal to the aggregate of the following, to-wit:

(i) An amount of money sufficient to discharge in full Lessor's liability for taxes on its income for such year (including federal and state income and excess profits taxes),

(ii) An amount of money sufficient to discharge in full Lessor's liability for corporate franchise taxes for such year,

(iii) An amount of money equal to the administrative and overhead expenses of Tennessee Gas Transmission Company and/or Tenneco Corporation which shall be allocated to Lessor for such year by Tennessee Gas Transmission Company and/or Tenneco Corporation, and

(iv) An amount sufficient to pay or reimburse the Lessor for the payment of all rentals and other sums which Lessor is from time to time obligated to pay to preserve and protect its leasehold estate in any of the Properties described in Schedule 2,

less, however any amounts paid to Lessor as rentals under other leases which are by the express terms of such leases measured by and intended to provide funds to pay and discharge