

regulations of the Department of the Interior as to that portion of said lands as may be under the control of said department and shall do no act which shall cause or be grounds for causing a cancellation of any governmental lease on any of the above described lands but in putting down said well or wells shall comply with the terms and conditions of said leases and with the rules and regulations of the Department of the Interior, governing and regulating the same.

Fourth: It is understood and agreed that if the production of oil by the party of the second part or by its subsidiary or affiliated companies, any gas or more or may be hereafter produced by said companies in any well which is chiefly valuable for the oil so produced in said well, nothing herein provided shall prevent the second party or its subsidiary or affiliated companies from using the gas so produced without incurring any liability to the first party therefor.

Provided however, that in case the said second party or its subsidiary or affiliated companies shall drill a well which produces gas only, or which shall be more valuable for the gas produced than for the oil produced by said well then, in that event the party of the second part may at its option: (1) sell said well or wells to any person who may desire to