

Oklahoma, described as follows, to wit:

The Northeast Quarter of the Southeast Quarter of Section Twelve (12), Township Nineteen (19) North, Range Fourteen (14) East, containing 40 acres, more or less.

And hereby releasing and waiving all right under and by virtue of the Homestead and Exemption Laws of the State of Oklahoma, for a period of two years from this date, and so much longer thereafter as oil or gas, or either of them, is produced by the party of the second part, his heirs, successors or assigns, subject to the following terms and conditions:-

Party of the second part, on the execution of this lease, agrees to deposit in the Arkansas Valley National Bank of Broken Arrow, Oklahoma, Forty (\$40.00) Dollars, as evidence of good faith that said party of the second part, his executors or assigns shall erect a derrick and begin operations, and to drill to a depth sufficient to make a fair test for oil and gas on the West Half of the Southeast Quarter of Section Twelve (12), Township Nineteen (19) North, Range Fourteen (14) East, within Sixty (60) Days from this date. If said party of the second part fails to begin such ^{test} well within the specified time and to push the completion of such well with reasonable diligence, then and in that event the sum of Forty (\$40.00) Dollars above deposited shall be forfeited to the party of the first part.

Party of the second part further agrees to complete a well on the property covered by the enclosed lease within one year from the date hereof, and failing to complete such well within the specified time, on these premises, this lease shall be null and void.

Party of the second part agrees to protect the lines of the first party in the following manner: To off-set ^{each} such producing well within Three hundred feet of the line of the said party of the first part, by drilling a well on the land of the party of the first part not farther from the line than the well to be off-set, and to have such well completed within sixty days from the date of completion of the well to be off-set, unavoidable delays excepted.

Second party shall pay all damage done by him to growing crops on said land and to pay all damage to said land by reason of oil or salt water and any other damages to said land by said second party's operating for oil and gas thereon.

Party of the second part shall have the right to at any time remove machinery and fixtures from said leased premises, except the right to draw and remove casing from wells not dry or exhausted.

Party of the second part shall have the right to use oil, gas and water produced on said land, free of royalty, for drilling and operating thereon, except water from wells of first party.

Party of the second part agrees to furnish to the party of the first part a complete log of the wells put down on the property covered by this lease.

On consideration of the premises, the party of the second part covenants and agrees to deliver to the said party of the first part, free of cost, in pipe lines to which it may connect its wells, one-eighth of all oil produced and saved from the leased premises, and to pay to the party of the first part One Hundred Fifty (\$150.00) DOLLARS per year for each producing gas well drilled on the premises by the party of the second part.

Party of the first part is to have gas free of cost, to heat and light one dwelling on the premises, during the term of this lease.

In case party of the second part shall fail to comply with any of the above named covenants and agreements, then this lease shall become null and void; and if this lease shall terminate and become null and void through any of the causes above specified, then and in that event party of the second part agrees to execute a written release of this lease in such form as will be satisfactory to party of the first part. It is further provided that in the