

OIL AND GAS LEASE.

Form A, Series 1908, Approved April 20, 1908.

OIL AND GAS MINING LEASE UPON LAND SELECTED FOR ALLOTMENT, CHEROKEE NATION, OKLAHOMA. .
THIS INDENTURE OF LEASE, Made and entered into in quadruplicate on this 16th, day of September 16th, A. D. ,1908, by and between Dick Sunday, of Peggs, Ok. a full blood citizen of the Cherokee Nation, party of the first part, hereinafter designated as lessor, and The Iron Mountain Oil Company, of Lima, Ohio, party of the second part, hereinafter designated as lessee, under and in pursuance of ^{the provisions of} the Act of Congress approved May 27 1908 (Public No.140) April 26-1906 Stat L 137
W I T N E S S E T H:

1. The lessor, for and in consideration of one dollar, the receipt whereof is hereby acknowledged, and of the royalties, covenants stipulations and conditions hereinafter contained, and hereby agreed to be paid, observed and performed by the lessee, does hereby demise, grant lease and let unto the lessee, for the term of five years from the date of the approval hereof by the Secretary of the Interior, and as much longer thereafter as oil or gas is found in paying quantities, all the oil deposits and natural gas in or under the following-described tract of land lying and being within the County of Tulsa, and State of Oklahoma, to wit:

The South West Quarter of the South West Quarter of Section 4, Township 22 N. Range 13 E of the Indian Meridian, and containing 40 acres, more or less, with the exclusive right to prospect for, extract, pipe, store and remove oil and natural gas, and to occupy and use so much only of the surface of said land as may reasonably be necessary to carry on the work of prospecting for, extracting, piping, storing and removing such oil and natural gas, also the right to obtain from wells and other sources on said land, by means of pipe lines or otherwise, a sufficient supply of water to carry on said operations, and also the right to use free of cost, oil and natural gas as fuel so far as necessary to the development and operation of said property.

2. THE LESSEE HEREBY AGREES TO PAY OR CAUSE TO BE PAID TO THE UNITED STATES INDIAN AGENT Union Agency, Muskogee, Okla., for the lessor, as royalty, the sum of 12½ per cent of the gross proceeds of all crude oil extracted from the said land, such payment to be made at the time of sale or removal of the oil. And the lessee shall pay as royalty in advance on each gas producing well utilized otherwise than as provided herein, where the capacity is tested at three million cubic feet or less per day of twenty-four hours, one hundred and fifty dollars per annum, and where the capacity is more than three million cubic feet per day, fifty dollars for each additional million cubic feet or major fraction thereof. The lessor shall have the free use of gas for domestic purposes in his residence on the leased premises, provided there be surplus gas produced on said premises over and above enough to fully operate the same. Failure on the part of the lessee to use a gas producing well, which can not profitably be utilized at the rate herein prescribed, shall not work a forfeiture of this lease so far as the same relates to mining oil, but if the lessee desires to retain gas-producing privileges, lessee shall pay a rental of fifty dollars per annum in advance on each gas-producing well, gas from which is not marketed or not utilized otherwise than for operations under this lease, the first payment to become due and to be made within thirty days from the date of the discovery of gas.

3. Until a producing well is completed on said premises the lessee shall pay or cause to be paid to the ~~said~~ agent for lessor, as advance annual royalty on this lease, fifteen cents per acre per annum, annually, in advance, for the first and second years; thirty cents per acre per annum, annually, in advance, for the third and fourth years; and seventy-five cents per acre per annum, annually, in advance, for the fifth year; it being understood and agreed that said sums of money ^{so paid} shall be a credit upon the stipulated royalties.

4. The lessee shall exercise diligence in the sinking of wells for oil and natural gas on land covered by this lease, and drill at least one well thereon within twelve months from the