

OIL AND GAS LEASE

IN CONSIDERATION OF THE SUM OF FORTY DOLLARS, the receipt of which is hereby acknowledged, and in further consideration of the covenants and agreements hereinafter mentioned Henry A. Elliott, of Collinsville Oklahoma, hereinafter referred to as lessor, does hereby grant unto the Pearl

Oil & Investment Company, a corporation of Collinsville, Oklahoma, hereinafter referred to as lessee, its heirs, successors and assigns, all the oil and gas in and under the following described premises, together with the exclusive right to enter thereon at all times for the purpose of drilling and operating for oil, gas or water, and to erect, install and maintain all buildings and structures, machinery and appliances, and lay all pipe lines necessary for the production, storage and transportation of oil, gas and water upon and from said premises. Excepting and reserving however to the lessor the one eighth (1/8) part of all the oil produced and saved off the leased premises, to be delivered in the pipe line with which the lessee may connect wells, namely; All that certain lot of land situated in the Township of 21, County of Tulsa in the State of Oklahoma, bounded and described as follows, to wit:

Lot Two (2) of Section Five (5) Township Twenty One (21) North of Range Fourteen (14) East, containing Forty (40) Acres, more or less.

TO HAVE AND TO HOLD THE ABOVE PREMISES for the term of five (5) Years, and so long thereafter as oil or gas is found on said premises in paying quantities.

If gas only is found the lessee agrees to pay at the rate of One Hundred & Fifty Dollars each year payable quarterly, for the product of each well while the same is being sold off the premises, and the lessor to have gas free of cost to heat all stoves and for lights in one dwelling house on the premises during the same time. to be used at lessors risk; Provided, however, that the lessee shall first have sufficient gas for drilling and operating its wells.

Whenever the lessor shall request it, the lessee shall bury all oil and gas lines on tillable ground, and pay all damages done to growing crops by reason of burying and removing said pipe lines.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the consent of the lessor, and no well shall occupy more than one acre.

In case no well is completed within one year from this date, unless such completion shall be prevented by unavoidable accident or delay, then this grant shall become null and void, unless the lessee shall pay to the lessor Fifty Cents, payable annually, in advance for each year thereafter during which such completion is delayed, and a failure to make such payment, by deposit in Bank or otherwise, within Thirty days after the same shall become due and payable shall terminate all the rights and liabilities of both parties to this contract.

The lessee may deposit the rental when it becomes due, in the Farmers & Merchants Bank of Collinsville Okla. and such deposit shall be binding upon the lessor the same as if paid to him in person.

It is agreed that the lessee may drill as many wells on the above described land as it may deem to be necessary to secure all of the oil and gas therefrom.

The lessee shall have the right to use sufficient water, gas or oil to run all necessary machinery for operating wells, and also the right to remove all property at any time during the life of this lease.

It is agreed and understood between the parties hereto that the lessee may surrender this grant at any time by paying the amount then due on the same together with the additional sum of One Dollar and releasing the same of record, and thereby be released from all further liabilities. It is understood between the parties to this agreement that all conditions between the parties hereunto shall extend to their successors, heirs, executors and assigns.