

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 half (S 1/2) of south west quarter (S W 1/4) of section 23 Township 20 North Range 13 East of the Indian Meridian and containing eighty 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 or other sources on said land, by means of pipe lines or otherwise, a sufficient supply of water to carry on said 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 12 1/2 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 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, in advance for the fifth year; it being understood and agreed that said sums of money so paid shall be a credit on the stipulated royalties.

4. The lessee shall exercise diligence in sinking wells for oil and natural gas on land covered by this lease, and drill at least one well thereon within twelve months from the date of the approval of this lease by the Secretary of the Interior, and on failure so to do this lease becomes null and void; Provided, however, there is reserved and granted to the lessee the right and privilege of delaying the drilling of said well for not exceeding five years from the date of the approval of the lease by the Secretary of the Interior by paying to the United States Indian Agent, union Agency Muskogee Okla., for