

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 and 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 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 ~~less than~~ more than three million cubic feet per day, fifty ~~dollars~~ 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 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, ~~with which~~ 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 gasproducing 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 ~~the purposes~~ ^{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 advanced 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 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 the use and benefit of the lessor (subject to the limitations and conditions hereinafter contained) in addition to said advance royalty the sum of One Dollar per acre per annum for each year the completion of such well is delayed, payable on or before the end of each year; but lessee may be required to drill and operate wells to offset paying wells on adjoining tracts and within three hundred feet of the dividing line.

5. The lessee shall carry on development and operations in a workmanlike manner, commit no waste on the said land and suffer none to be committed upon the portion in his occupancy or use, take good care of the same and promptly surrender and return the premises upon the termination of this lease to lessor or to whomsoever shall be lawfully entitled thereto, unavoidable casualties excepted; shall not remove therefrom any buildings or permanent improvements erected thereon during the said term by the said