

so far as the same relates to mining oil, but if the lessees desire to retain gas producing privileges, they shall pay a royalty of \$50.00 per annum, in advance, on each gas producing well not utilized, the first payment to become due and to be made within thirty days from the date of the discovery of gas.

The parties of the second part further covenant and agree to exercise diligence in the sinking of wells for oil and natural gas on the lands covered by this lease, and to drill at least one well thereon within one year from this date, and should the parties of the second part fail, neglect or refuse to drill at least one well within the time stated this lease may in the discretion of the lessor be declared null and void, after ten day's notice to the lessees; provided that the lessees shall have the privilege of delaying operations for a period not exceeding five years from this date, by paying to the lessor the sum of One Dollar per acre per annum for each leased tract remaining undeveloped.

The parties of the second part further agree to carry on operations in a workmanlike manner to the fullest possible extent, unavoidable casualties excepted; to commit no waste on said lands, and to suffer no waste to be committed upon the portion in their occupancy or use; to take good care of the same, and to promptly surrender and return the premises upon the termination of this lease to the party of the first part, or to whomsoever shall be lawfully entitled thereto, and not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said parties of the second part, but said buildings and improvements shall remain a part of said lands and become the property of the owner of the land, as a part of the consideration for this lease in addition to the other consideration herein specified, excepting the tools, boilers, boiler houses, pipe lines, pumping and drilling outfits, tanks, engines and machinery, and the casing of all dry or exhausted wells, shall remain the property of the said party of the second part, and may be removed at any time before the expiration of sixty days from the termination of the lease; that they will not use such premises for any other purposes than those authorized in this lease, and that before abandoning any well, they will securely plug the same, so as to effectually shut off all water above the oil bearing horizon.

And the said parties of the second part further covenant and agree that they will keep an accurate account of all oil mining operations, showing the sales, prices, dates, purchasers and the whole amount of oil mined or removed; and all sums due as royalty shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in said prospecting and mining operations, and upon all of the unsold oil obtained from the land herein leased, as security for the payment of said royalty.

If the lessees make reasonable and bona fide effort to find and produce oil in paying quantities, as herein required of them, and such effort is unsuccessful, he may at any time thereafter, with the approval of the proper court, surrender and wholly terminate this lease upon the full payment and performance of all the then accrued and payable obligations hereunder.

In Witness Whereof, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above written.

Spence Landrum,

Guardian of Della Lane, a minor.

Lessor.

John S. Thomason

Lessees.

R. V. McSpadden