

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 operations, and including still further the right to use such oil and natural gas as fuel so far as it is necessary to the prosecution of said operations.

It is considered of which the party of the second part hereby agrees and binds itself, its successors and assigns to pay or cause to be paid to the guardian of the estate of said minor as royalty, the sum of twelve and one half percent (12 1/2 per cent) of the gross proceeds, on the basis, however, of all crude oil extracted from the said land, each payment to be made at the time of each disposition of the oil, and the lease shall pay in yearly payments at the end of each year one hundred and fifty dollars (\$150.00) on each gas producing well which they shall use the lessor shall have the free use of gas for lighting and warming his residence on the premises. It is further agreed that a failure on the part of the lease to use a gas producing well, where the same cannot be economically utilized at the rate so prescribed, shall not work a forfeiture of this lease so far as the same relates to mining oil, but if the lease stops mining gas producing privileges they shall pay royalty of fifty dollars (\$50) per annum in advance, on each gas producing well not utilized, the first payment to become due and to be made within thirty (30) days from the date of the discovery of gas.

The party of the second part further covenants and agrees to exercise diligence in the running of wells for oil and natural gas on the land covered by this lease, and to drill at least one well thereon