

on said operation, and when the right to use, free of cost, oil and natural gas as fuel so far as necessary to the development and operation of said property.

8. The lessee hereby agrees to pay or cause to be paid to the United States Landman agent, Union Agency, New Mexico, for the land, - 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, every day in advance on each gas producing well entitled 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 acre, 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 lessee 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 gas producing well, which can not properly be utilized at the rate herein specified, shall not work a forfeiture of this lease so far as the same relates to winning 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