

Agnes Esau, his wife, of Dallas, Oregon, party of the first part, hereinafter called "Lessor" and American Eagle Oil Company of Bartlesville, Oklahoma, party of the second part, hereinafter called "Lessee."

WITNESSETH: That lessor, in consideration of One and no/100 Dollars paid by the lessee, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the lessee the hereinafter described land for the purpose of operating for and producing oil, gas and vapors thereon and therefrom and for constructing roads, pipelines, telephone and telegraph lines, tanks, power-houses, stations and fixtures and houses for housing employees, and all other privileges incident thereto or convenient for the economical operation of such land alone or conjointly with neighboring lands, with the right to use oil and gas for fuel, free of royalty, and water, but not from the lessor's water wells, for such purposes, and the right to remove either during or after the term hereof any and all property and improvements placed on the premises by lessee, including the right to pull and remove all casing, said land being situated in the County of Tulsa, State of Oklahoma, and more particularly described as follows, to-wit:

South Half ($S\frac{1}{2}$) of Southwest Quarter ($SW\frac{1}{4}$) and Northwest Quarter ($NW\frac{1}{4}$) of Southwest Quarter ($SW\frac{1}{4}$) of Section 14, Township 22N. Range 13 E. containing 120 acres, more or less.

(1) It is agreed that this lease shall remain in force for a term of five years from this date and as long thereafter as oil, gas and vapors or either of them, is found in paying quantities.

(2) Lessee agrees to deliver to the credit of lessor, free of cost, into the pipeline with which it may connect its wells, one-eighth of all oil produced and saved from the leased premises except that used for fuel; the lessee may purchase the oil so delivered into the pipeline to the credit of lessor at the market price being paid in the field at the time and day of deliver.

(3) Lessee agrees to pay to lessor at the rate of Two Hundred Dollars each year, payable annually in advance, for the gas and vapors from each well where gas and vapors only are found, while the same is being used or sold by lessee, except for fuel on said lease, and the said lessor shall have gas free of cost from any such well for all stoves and inside lights in the principal dwelling house on said land during the same time, such gas to be delivered to lessor at the mouth of the well at lessor's own risk and expense.

(4) Lessee agrees to pay lessor for gas and vapor produced from any oil well and used or sold by lessee, except for fuel on said land, at the rate of Fifty Dollars (\$50.00) per year for the time during which the same shall be used, said payments to be made quarterly.

(5) If operations for the drilling of a well for oil or gas are not begun on said land on or before the 15th day of May, 1923, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or deposit to the credit of-----in the-----Bank at-----or its successor, said bank to continue as the depository regardless of changes in ownership of the land, the sum of Sixty and no/100 Dollars as rental, which payment or tender may be made by the check or draft of the lessee, and, however made shall operate to confer on the lessee the privilege of deferring the commencement of such well for six months from said date.