

of Section 27 Township 19 Range 14 and containing 80 acres, more or less.

It is agreed that this lease shall remain in force for a term of One years from this date, and as long thereafter as oil or gas or either of them is produced from said land by lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay lessor one eighth of the proceeds from each well when sold off premises for the gas from each well where gas only is found, while the same is being used off the premises, and if used in the manufacture of gasoline or any other product, a royalty of one-eighth (1/8), payable monthly at the prevailing market rate; and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the well at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product at the rate of One Eighth for the time during which such gas shall be used, payable monthly or a royalty of one-eighth (1/8) payable monthly at the prevailing market rate.

If no well be commenced on said land on or before the 5th day of Sept. 1922 this lease shall terminate as to both parties, bank at ----- in the ownership of said land, the sum of -----dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for ----- months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rentals has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals, in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which -----interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for their operations thereon except water from the wells of lessor.

When requested by lessor, lessee shall bury their pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without ^{written} consent of lessor.

Lessee shall pay for damages caused by their operations to growing crops on said