

party of the second part, shall deliver to the credit of the lessor free of cost in the pipe line to which he may connect any wells, the equal one-eighth (1/8) part of all oil produced or saved from the leased premises and pay to the lessor the royalty of one-eighth (1/8), payable monthly, at the prevailing market rate for all gas produced from said premises, either from an exclusive gas well or from gas produced from an oil well and sold off the premises, or from gas used in the manufacture of gasoline, or any other product manufactured therefrom; it is furthermore provided that the test well to be drilled upon the adjoining premises above described shall be commenced within thirty (30) days of this day, and the drilling thereof shall be prosecuted with diligence until it is finally completed and that in the event that the party of the second part shall fail, refuse or neglect to commence said well within said thirty days and prosecute the drilling thereof with diligence, as above set forth, then and in that event this lease shall become null and void.

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 shall be paid the lessor only in proportion which his 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 its operation thereon, except water from wells of lessor.

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

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

Lessee shall pay for damages caused by its operations to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

In Testimony Whereof, We Sign, this the 19th day of July 1922.

W. T. Bynum

G. R. Travers

G. D. Kendall