

It is agreed that this lease shall remain in force for a term of One (1) years from date, and as long thereafter as oil or gas, or either of them, is produced from said land by the 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 the lessor One eighth of the net proceeds from the sale for the gas from each well where gas only is found, while the same is used off the premises and if used in the manufacture of gasoline or any other product, a royalty of one-eighth ( $1/8$ ), payable Quarterly at the prevailing market rate; and lessor to have gas free of cost from any such well for all inside stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk.

3rd. To pay lessor for gas produced from any oil well and used off the premises one eighth of the net proceeds for the time during which such gas shall be used, said payments to be made Quarterly and if used in the manufacture of gasoline or any other product, a royalty of one-eighth ( $1/8$ ), payable Quarterly at the prevailing rate.

If no well be commenced on said land on or before the ----- day of ----- 19-- this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the Producers National Bank at TULSA, Okla. or its successors, which shall continue as the depository regardless of changes 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 privileges granted to the date when said first rentals 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 which rental 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 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 his pipe lines below plow depth.