

The purpose of this lease is such that so long as it remains in force the lessee shall have the exclusive right to prospect and drill on said land for oil and gas and remove the same therefrom; to erect and maintain thereon and remove therefrom all necessary or proper structures and equipment, including the right to pull the casing from wells; and to install and maintain thereon and remove therefrom all tanks and other means of storage and all pipes and other means of transportation; also the right of ingress and egress at all times for any of said purposes. And subject to the royalties hereinafter reserved all of the oil and gas in and under said land is hereby granted and conveyed to the lessee.

The royalties reserved by the lessor, and which shall be paid by the lessee, are

(a) on oil, a quantity equal to one-eighth of all produced and saved, the same to be delivered at the wells or to the credit of the lessor in the pipe line to which the wells may be connected;

(b) on natural gas, at the rate of  $1/8$  of proceeds of sale for each well producing gas exclusively, and from which gas is then being used off the land or sold by the lessee, the lessor to have the privilege at the lessor's risk and expense of making connections and using gas from such wells free of charge for one dwelling on the land;

(c) on gas produced from oil wells, when such gas is used for the manufacture of gasoline, one-eighth of the market value of the gas, the same to be metered at the gasoline plant where used, the lessee having the privilege of prorating all wells there connected.

The lessee shall have the free use of oil, gas, wood and water from said land for all purposes of development and operation hereunder, and the royalty on oil and gas shall be in the net quantity saved after deducting any so used.

If operations for the drilling of an oil or gas well are not begun on said land on or before the 1st day of September, 1923, this lease shall then terminate as to both parties, unless the lessee on or before said date shall pay or tender to the lessor, or to the credit of the lessor in the State Guaranty Bank at Sperry, Oklahoma, or its successors, which shall continue as the depository regardless of changes or divisions in the ownership of the land, the sum of Ten & No/100 dollars. Such payment or tender may be made in the check or draft of the lessee, and however made shall operate to extend said time limit and keep this lease in force for six months from said date without any drilling operations. Thereafter, in like manner and upon like payments or tenders of the same amount by the lessee and without any drilling operations, said time limit may be further extended and this lease kept in force for like periods of time successively, six months in each instance, but in the absence of drilling operations this lease cannot be kept in force by such payments or tenders for a total period longer than five years from the date of the first extension. And if by partial assignment hereof or otherwise this lease shall become the subject of plural ownership in severalty, then and in that event proportionate payments or tenders corresponding to any such ownership may be so made and extensions thereby obtained to the extent of the acreage covered by the payment or tender. Both drilling operations and payments or tenders are not required, and the lessee may alternate between drilling operations and payments or tenders during the above mentioned period and prior to the discovery of oil or gas in paying quantities having 20 days after any election of the lessee to discontinue or suspend drilling operations in which to make payment or tender covering the then current period of six months or the unexpired portion thereof, and the right