

120 acres, more or less.

TO HAVE AND TO HOLD THE same as long as oil or gas or either of them is produced from said land by lessee, its successors, or assigns, together with all wells thereon, their equipment, production and pipe lines.

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

FIRST: To pay the lessor as royalty one-eighth part of the proceeds of all the oil saved and sold from that produced on said premises and to run such oil to pipe line companies to which lessee may connect its well or wells under division orders placing one-eighth part of said proceeds to lessor's credit, or at lessee's option, to pay to lessor one-eighth part of the market value of such oil in the field where produced on the day the same is sold, run or stored, and in this last event, settlement shall be made by lessee by the 15th day of each month for the royalty accrued during the preceding month:

SECOND: to pay lessor Three Hundred Dollars each year in advance for the gas from each well where gas only is found while the same is being sold or used for other purposes than in operating leased premises, the lessor to have gas free of cost from such well for all stoves and inside lights in the principal dwelling house on said land during the same time by making his own connections with the well; and,

THIRD: To pay lessor for gas produced from any oil well, including casinghead gas, used or utilized for other purposes than in operating leased premises, at the rate of Twenty-five Dollars per year for the time during which such gas is used or utilized; payments to be made each three months in advance.

The lessee shall have the right to use, free from royalty or rental, oil and gas produced from said land in drilling and operating thereon, and also water from wells other than those of the lessor.

When requested by lessor, the lessee shall bury pipe lines below plow depth. The lessee shall pay for damages caused by drilling to growing crops. If the lessor owns a less interest than the entire undivided fee simple in above land, then the royalty and rentals hereinbefore provided shall be paid to the lessor only in the proportion which his interest bears to the entire fee.

On the termination of this lease for any cause the lessee shall have the right at all times to remove all machinery, fixtures and property placed on said premises, including the right to draw and remove casing, ~~and all machinery, fixtures, property placed on said premises, including the right to draw and remove casing, and all~~ machinery, fixtures and property placed on said premises, including the right to draw and remove casing, and all machinery, fixtures, property and casing on said premises shall remain the property of the lessee.

The lessee is given the right to assign this lease in whole or in part and if it be assigned as to a particular portion of the acreage covered thereby lessee shall be liable for royalties accruing only from production on the acreage retained and be liable for rentals only in the proportion that the acreage unassigned bears to the entire leased acreage, and lessee's assignee shall be liable for royalties accruing only from production on the acreage assigned and be liable for rentals only in the proportion the acreage assigned bears to the entire leased acreage, and in no event shall this lease be cancelled or forfeited as to lessee for failure to pay rentals or royalties so long as lessee shall pay rentals or royalties on the acreage retained, nor as to such assigns so long as they shall pay rentals or royalties on acreage assigned.

This lease shall be forfeited or cancelled only for failure to make payments, or delay in drilling, and the right to forfeit or cancel, or to have it declared for-