

COMPARED

building tanks, powers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Tulsa, State of Oklahoma, described as follows, to-wit:

South Half (S/2) of Southeast Quarter (SE/4) of Northeast Quarter (NE/4) of Section 35 Township 22 North, Range 12 East; and the South Half (S/2) of the Southwest Quarter (SW/4) of the Northwest Quarter of Section 36, Township 22 North, Range 12 East and containing 40 acres, more or less.

It is agreed that this lease shall remain in force for a term of Five (5) 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 1/8th of the gas produced and saved from the premises in advance, 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 principle dwelling house on said land during the same time by making his own connections with the well at his own risk.

3rd. To pay lessor for gas produced from any oil well and used off the premises 1/8th of the gas 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 monthly, at the prevailing market rate.

If no well be commenced on said land on or before the 2nd day of October, 1923 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 Sand Springs State Bank, at Sand Springs, Oklahoma or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Forty and No/100 Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 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 the 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.