

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 his 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 1/8th of the proceeds from the sale payable quarterly 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 their 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 1/8th of the proceeds from the sale of said gas for the time during which such gas is used or utilized; payments to be made each three months.

The lessee agrees to commence drilling a well on said premises within one year from February 2nd, 1923 or pay at the rate of Eighty (\$80) Dollars for each additional year such commencement is delayed from the time above mentioned. The completion of such well shall be and operate as a full liquidation of rentals under this provision during the remainder of the term of this lease unless the same shall prove to be a dry hole, in which event, at the next succeeding rental paying date, the lessee may resume payment of rentals, such payments to cease on the completion of a producing well.

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 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 for delay in drilling, and the right to forfeit or cancel, or to have it declared forfeited, cancelled or set aside for failure to comply in whole or in part with any implied condition, covenant, stipulation, agreement, undertaking, duty or obligation, is hereby expressly