

hereditaments and appurtenances thereunto acquired belonging or in any wise appertaining thereto, including all oil stored on said land, and all and all oil and gas wells, oil well supplies and machiner\_ of every kind and character, buildings, derricks, pipe lines, trucks casing, telephone lines located on, in or under the described property, and all other property of every kind whatever belonging to said leases and leasehold estates wherever located, subject however, to a first mortgage in favor of J. H. Walden of Chicago in the sum of \$15,000.00 covering and embracing the - SW $\frac{1}{4}$  of Sec. 31-16-15 and a first mortgage in favor of the Exchange National Bank of Muskogee, Oklahoma, in the sum of \$22,500.00 covering and embracing the

E $\frac{1}{2}$  SW $\frac{1}{4}$  of SE $\frac{1}{4}$  and S $\frac{1}{2}$  of N $\frac{1}{2}$  of SE $\frac{1}{4}$  of SE $\frac{1}{4}$  of 8-14-15

COMPARED

as further security, for the payment of said notes hereinafter described the party of the first part mortgage to party of the second part as trustee, all oil or gas produced and saved from said premises during the life of the mortgager, the party of the first part agreeing on demand of party of the second part to immediately execute all papers and instruments, including those required under pipe line regulations, necessary to transfer said party's interest of all oil and gas to second party as trustee aforesaid, and the proceeds of which are to be applied on the payment of the notes hereinafter mentioned.

This mortgage is given as security for the payment of the following described notes executed and delivered by Hanover Oil and Gas Company, a corporation, of Muskogee Oklahoma, at its office in Muskogee, Oklahoma, without grace and with interest at the rate of eight per cent per annum from date until fully paid, to-wit:

Seven notes bearing even date hereof and due and payable on March 18, 1923, described as follows:

- Note to L. A. Lowery in amount of \$47,500.00;
- Note to Eugene Morris in amount of \$50,000.00;
- Note to Norman Morris in amount of 15,000.00,
- Note to C. W. Galligan in amount of 5,000.00;
- Note to Robert Morris in amount of 5,000.00;
- Note to F. R. Garrison in amount of 3,000.00;
- Note of Mrs. Eugene Morris in amount of \$500.00;

making a total of \$126,000.00

Each of the above mentioned notes shall bear interest from date at the rate of eight per cent per annum, as above set out and each note shall be secured by said mortgage and agreement as above set out regardless of the holder of said note, it being agreed by the Hanover Oil and Gas Company that all of said notes are negotiable instruments,

The conditions of this agreement ~~as above~~ follows:

The party of the first part herein covenants and agrees:

First: That it will pay such notes and each of them at maturity with interest thereon as above set out.

Second: That it will not sell, mortgage or assign or otherwise dispose of said leases, or any part thereof or any other property above described and will not suffer or permit any part of the same to become subject to any lien of any kind whatsoever until this mortgage is satisfied and will not remove or permit said property to be removed from said leases while this mortgage remains a valid lien for any sum thereon.

Three: That it will, in the event notes herein described are not paid at maturity or interest paid as due, or in event any of covenants expressed in Second condition are violated or broken in any manner, that the first party upon written notice