

219850 C. J. COMPARED

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 11th day of January, 1923 by and between P. E. Heckman and V. Janet Hockman, his wife of Muskogee, Oklahoma hereinafter called lessor (whether one or more), and I. I. Corbin hereinafter called lessee:

WITNESSETH: That the said lessor, for and in consideration of One & 00/100 Dollars, cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee for the sole and only purpose of mining and operating for oil and gas and of laying of pipe lines, and of 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:

Thes¹/₂ of the NW¹/₄ of the SW¹/₄ and the N¹/₂ of the SW¹/₄ of the SW¹/₄ and SE¹/₄ of the SW¹/₄

of Section 36 Township 21 Range 13 and containing 80 acres, more or less.

It is agreed that this lease shall remain in force for a term of three years from this date, and as long thereafter as oil or gas or either of them is produced from said land by 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 you may connect wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay lessor One eighth royalty 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 principal dwelling house on said land during the same time by making their own connections with the well at their own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product at the rate of 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 10th day of April 1923, this lease shall terminate as to both parties, unless the lessee shall on or before that date pay or tender to the lessor or to the lessor's credit in the Commercial National Bank at Muskogee, Okla or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Eighty & 00/100 Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve 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 privilege granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all 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 for 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.