

434

If operations for the drilling of an oil or gas well are not begun on said on or before the 11th day of October 1923 this lease shall then terminate as to both parties, unless the lessee on or before said date shall pay or tender to the lessor, or to the credit of the lessor in the Collinsville National Bank at Collinsville Oklahoma, or its successors, which shall continue as the depository regardless of changes or divisions in the ownership of the land, the sum of Forty and No/100 dollars, such payment or tender may be made in the check or draft of the lessee, and however made shall operate to extend said time limit and keep this lease in force for six months from said date without any drilling operations. Thereafter, in like manner and upon like payments or tenders of the same amount by the lessee and without any drilling operations, said time limit may be further extended and this lease kept in force for like periods of time successively, six months in each instance, but in the absence of drilling operations this lease cannot be kept in force by such payments or tenders for a total period longer than ten years from the date of the first extension. And if by partial assignment hereof or otherwise this lease shall become the subject of plural ownership in severalty, then and in that event proportionate payments or tenders corresponding to any such ownership may be so made and extensions thereby obtained to the extent of the acreage covered by the payment or tender. Both drilling operations and payments or tenders are not required, and the lessee may alternate between drilling operations and payments or tenders during the above mentioned period and prior to the discovery of oil or gas in paying quantities having 30 days after any election of the lessee to discontinue or suspend drilling operations in which to make payment or tender covering the then current period of six months or the unexpired portion thereof, and the right to resume drilling operations when periods of discontinuance or suspension have expired; and drilling operations anywhere on said leased land shall be effective as to the whole. But no payment or tender shall be necessary when a discontinuance or suspension of drilling operations is only temporary and is due to accident or some cause beyond the control of the lessee, or is not at the voluntary election of the lessee.

It is understood and expressly agreed that the consideration first recited in this lease, the down cash payment, receipt of which is hereby acknowledged by the lessor, and the obligation of the lessee expressed in the next ensuing paragraph hereof, shall be held to support and sustain, not only the privileges granted to the date first written in the last preceding paragraph hereof, the date fixed for the first extension, but also the lessee's option of extending the time limit and keeping this lease in force as aforesaid, as well as any and all other rights and privileges conferred on the lessee by this instrument. But save as stated in said next ensuing paragraph hereof the lessee shall not be obligated against the wish or option of the lessee to drill or otherwise carry on any operation hereunder.

If during the period or any extension of this lease and prior to the discovery of oil or gas on said land there shall be drilled on adjacent land, and within 200 feet of any line of the leased land, a well producing daily for 30 consecutive days as much as 50 barrels of oil acceptable in quality to pipe line companies, the lessee will, with reasonable diligence, begin and prosecute the drilling of a well on the leased land in a faithful effort to reach the stratum and produce oil on the leased land.

If the lessee shall drill a well and discover oil or gas in paying quantities in or under said leased land, then this lease shall remain in full force and effect for ten years from such discovery, and as much longer as oil or gas is produced in paying quantities, and having so discovered oil or gas in paying quantities the lessee shall be exempt from loss or forfeiture of this lease in whole or in part except after judicial ascertainment of forfeiture and a reasonable opportunity to save the lease after such ascertainment, or, at the election of the lessee, to save each producing well and have the lease remain in force to the extent of 10 acres of land to be designated by the lessee surrounding each producing well.