

CONWARD

and one note thereafter becoming due and payable on or before the expiration of successive six months periods until the full number of twenty notes shall have been paid in the manner and according to the term and tenor thereof and of this mortgage. All of said notes bearing interest at the rate of eight per cent per annum payable semi-annually.

AND PROVIDED, further, that these presents are upon the condition, that the parties hereto shall execute proper division orders of all oil sold from off the premises, and party of the second part shall receive one-half of all oil, gas, proceeds from sale of casing head gasoline, at the times when payment is made therefor, by the pipeline companies, and all such proceeds of sale of one-half of the oil, gas or casing head gasoline, shall be applied against, at the times when received, the note of longest term, that is to say, the amount paid by the pipeline company in accordance herewith, shall be applied to the payment of the note last coming due, and when this is discharged, then to the payment of the next to the last note coming due, and in the manner until all notes have either been paid by party of the first part or by oil monies received by party of the second part;

It is further agreed by and between the parties hereto, that one of the conditions of these presents are that party of the first shall drill or cause to be drilled on the said leased premises one well every sixty days, until said premises have been thoroughly drilled and tested: provided however that in the event it should be determined by previous drilling that no production could be had by drilling further, than in that event, no obligation shall rest upon the party to carrying on further drilling operations provided 4 wells have been drilled thereon; but party of the first part agrees as part of the condition of these presents that he will fulfill and perform all conditions of the leases herein mortgaged as same may provide for drilling of wells, at the times and in the manner therein provided.

It is further agreed by and between the parties hereto that this mortgage shall include within its terms all personal property now located upon the premises, whether same be in the wells, or above the ground, and including, a Parkersburg Drilling Machine, Boiler, Engine, and all drilling tools, now located upon said leasehold estate or used in connection therewith, and shall include all equipment and tools hereafter placed thereon, of every kind and character.

It is further agreed between the parties hereto, that a copy of this mortgage shall be deposited with the Prairie PipeLine Company, and shall be evidence of the interest of party of the second part in the oil runs from off of said land or leasehold estate, and upon the full and complete payment of the indebtedness hereby secured, said one-half interest in the oil run from off the leaseholds herein mortgaged shall, upon full payment of the indebtedness hereby secured, immediately vest in party of the first part.

In case papers for foreclosure are filed, the <sup>first</sup> party agrees to pay a reasonable attorney's fee of ten dollars and ten percent of amount remaining due and payable at the time suit is brought.

Now if said party of the first part shall pay or cause to be paid to said party of the second part, her heirs or assigns said sum of money in the above described notes mentioned, together with the interest thereon, according to the terms and tenor of the same, then these presents shall be wholly discharged and void, and otherwise shall remain in full force and effect. But if said sum or sums of money, or any part thereof, or any interest thereon, is not paid when the same is due or if the taxes or assessments levied against said premises or any part thereof, or the taxes assessed against the said second party of any assignee of said note or the debt secured thereby, or if the insurance is not paid, or upon default by the party of the first part in complying with the drilling clauses of this mortgage or of the leases under which he holds and which are pledged as security hereunder with reference to number and time of drilling wells, the second party shall be entitled to the possession of said premises. And the said party of the first part for said consideration does hereby agree to