

COMPARED

Quarter (SW $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section 33 Township 18 N. Range 13 E. and containing 42.50 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 he may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay lessor one-eighth of gas produced and sold 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 ($\frac{1}{8}$), 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 his own connections with the well at his own risk and expense.

If no well shall be commenced as an offset well to said lands herein described, as agreed to be done, on or before the 19th., day of April, 1923, this lease shall terminate as to both parties, unless on or before said date the lessee shall pay to the lessor the additional sum of \$85.00, or tender same, or place same to the credit of the lessee in National Bank of Commerce of Tulsa, Oklahoma; and upon the payment or tender or deposit to lessor's credit as above stipulated, said payment or tender or deposit shall operate as a rental and additional bonus and cover the privilege of deferring the commencement of said offset well hereinabove referred to for the additional term of eight (8) months from said date; provided, further, that if no well be commenced on the lands described in this lease and herein leased to the said L. N. Houston on or before the expiration of 12 months from the date hereof, this lease shall be null and void 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 National bank of Commerce of Tulsa, Oklahoma, the sum of \$42.50, which shall operate as a rental and cover the privilege of deferring the commencement of a well on said premises for 12 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.

It is further provided that in the event production in paying quantities is secured in said offset well agreed to be drilled according to the terms of this lease and agreement, that then, and in that event the lessee shall commence a well on the lands herein leased within 30 days from the completion of said offset well,

in the ownership of said land, the sum of ----- dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for -----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 in the resumption of the payment of rentals, as