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offers on or before December fifteenth in each year and second party shall have from that date until the following ^{January} first to exercise its election as aforesaid. In case second party elects not to take said casinghead gasoline on terms above mentioned for such year period and first party contracts for the sale thereof to other purchasers as aforesaid and such other purchaser or purchasers should fail to carry out the terms of their contracts thereafter, if it then becomes necessary for first party to make other sale or such product during such year period to other parties, then in such event second party shall again have the option to purchase the same for the balance of said yearly period at the highest price which first party could obtain therefor from other responsible purchasers.

4. The second party shall have the option and right to purchase any other products of petroleum produced as aforesaid by first party in the same manner and under the terms and conditions as it herein specified for its option to purchase casinghead gasoline.

5. The method of gauging and measurement and all other details relating to the delivery of products delivered and time and method of payment for same by second party, shall in each instance be governed by the usual and customary practice of the field and locality in question and shall in each instance be settled by agreement between the parties.

6. In event that the parties hereto are unable to agree by negotiation upon the price to be paid by the second party for any part or all of any production of crude petroleum, or casinghead gasoline or other product or petroleum hereunder, and second party shall elect to purchase the same, and shall so give notice to first party in writing, then first party covenants and agrees to sell and deliver to second party or its nominees hereunder without any interruption or deliveries all such production as second party may require, and the price shall be paid by second party for such production as it may so wish to take shall be determined by an arbitrator or referee to be agreed upon between the parties, and in event the parties cannot agree upon any such arbitrator or referee, then (upon notice to the other party in writing of its action) either party may apply to the Secretary of the American Petroleum Institute who shall, without any notice to either party appoint such arbitrator or referee who shall be experienced in the business of producing and buying and selling of crude petroleum and its products and familiar with the local conditions in the district or territory in question; and the decision of such arbitrator or referee shall be final and binding upon the parties hereto. Until such price is finally determined second party shall regularly pay to first party hereunder the full amount of the price it shall stipulate is the amount first party is entitled to receive from second party hereunder and any adjustment necessary in such price shall be made between parties within fifteen (15) days after such notice from such arbitrator or referee fixing the price to be paid by second party.

7. First party agrees to use all proper means to obtain for second party's benefit the right to purchase and obtain delivery of all royalty crude and gasoline produced from any properties delivering first party's production to second party.

8. First party covenants and agrees that it will save second party harmless and indemnified from all damages, costs and expenses arising from any claims, demands, causes of action and litigation of all persons corporations (also from all taxes of every kind and nature, imposts and duties imposed by the United States Government, or by any other Government, or any sub-division thereof) on account of the production of said oil by Seller and its delivery to Buyer hereunder.