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7102 Indian Office Ind no 3 1906

OIL AND GAS MINING LEASE

UPON LAND SELECTED FOR ALLOTMENT, CHEROKEE NATION, INDIAN TERRITORY.

L.R.S

[Section 72, Act of July 1, 1902, 32 Stat., 716, 726.]

Office of Indian Affairs Received Mar 7-1908 6127

This Indenture of Lease, Made and entered into, in quadruplicate, on this 23rd day of September A. D. 1907, by and between William Ellis

Feb 25-1908

of Turley Ind Ter, party of the first part, and The Elmendaro Oil Gas Company of Bartlesville Ind Ter, a corporation duly organized and existing under the laws of The Indian Territory and duly organized to carry out the terms of the act of Congress approved February 18-1901 (31 Stat. 848) of Turley by compliance with the party of the second part, under and in pursuance of the provisions of section 72 of the act of Congress approved July 1, 1902, and the regulations prescribed by the Secretary of the Interior thereunder.

757 Received apr. 6-1908 Office of U.S. Indian agent

WITNESSETH, That the party of the first part, for and in consideration of the royalties, covenants, stipulations, and conditions hereinafter contained, and hereby agreed to be paid, observed, and performed by the party of the second part, its successors and assigns, do hereby demise, grant, and let unto the party of the second part, its successors and assigns, for the term of Fifteen years from the date hereof, all of the oil deposits and natural gas in or under the following described tract of land, lying and being within the Cherokee Indian Nation and within the Indian Territory, to wit: The NE 1/4 of SW 1/4 of SE 1/4 and the S 1/2 of SW 1/4 of NE 1/4 and the N 1/2 of SW 1/4 of SW 1/4 and the NE 1/4 and the E 1/2 of SE 1/4 of N 1/2 of SW 1/4 all in Section Eleven and the N 1/2 of N 1/2 of SE 1/4

no 68701 Received Nov 13-1907

of Section Twenty, township Twenty-one North, range 13 east East, of the Indian Meridian, and containing Eighty acres, more or less, with the right to prospect for, extract, pipe, store, refine and remove such oil and natural gas, and to occupy and use so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, extracting, piping, storing, refining, and removing such oil and natural gas, including also the right to obtain from wells or other sources on said land, by means of pipe lines or otherwise, a sufficient supply of water to carry on said operations, and including still further the right to use such oil and natural gas as fuel so far as it is necessary to the prosecution of said operations.

In consideration of which the party of the second part hereby agrees and binds, successors and assigns, to pay or cause to be paid to the lessor, as royalty the sum of ten per cent of the value, on the leased premises, of all crude oil extracted from the said land, and if the parties do not, before the tenth day of the month succeeding its extraction, agree upon the value of the crude oil on the leased premises, the value thereof shall finally be determined under the direction of the Secretary of the Interior in such manner as he shall prescribe, and to so pay the royalty accruing for any month on or before the the twenty-fifth day of the month succeeding, and where the value of the crude oil fluctuates, the average value during the month shall constitute the criterion in computing the royalty; and to pay in yearly payments at the end of each year, one hundred and fifty dollars royalty on each gas-producing well, the lessor to have free the use of gas for lighting and warming his residence on the premises. But failure on the part of the lessee to use gas-producing well, where the same can not be reasonably utilized at the rate so prescribed, shall not work a forfeiture of this lease so far as the same relates to mining oil, ~~but if the lessee desires to retain gas-producing privileges shall pay a royalty of fifty dollars per annum on each gas-producing well not utilized, the first payment to become due and to be made within thirty days from the date of the discovery of the gas, payments thereafter for such wells to be made in advance at the first of each succeeding year, dating from the first payment.~~ Secretary of the Interior may preserve

And the party of the second part further agrees and binds itself its successors and assigns, to pay or cause to be paid to the lessor, as advanced annual royalty on this lease, the sums of money as follows, to-wit: Fifteen cents per acre per annum, in advance, for the first and second years; Thirty cents per acre per annum, in advance, for the third and fourth years; and Seventy-five cents per acre per annum, in advance, for the fifth and each succeeding year thereafter of the term for which this lease is to run; it being understood and agreed that said sums of money so paid shall be a credit on the stipulated royalties should the same exceed such sums paid as advanced royalty, and further, that should the party of the second part neglect or refuse to pay such advanced annual royalty for the period of sixty days after the same becomes due and payable, then this lease shall, at the option of the lessor, be null and void, and all royalties paid in advance shall become the money and property of the lessor.

The party of the second part further covenants and agrees to exercise diligence in the sinking of wells for oil and natural gas on the lands covered by this lease, ~~and to drill at least one well thereon within twelve months from the date of the approval of the bond by the Secretary of the Interior, and should the party of the second part fail, neglect, or refuse to drill at least one well within the time stated, this lease may, in the discretion of the Secretary, be declared null and void, with due notice to the lessee and proof of the default, and said party of the second part agrees~~ and to operate the same in a workmanlike manner to the fullest possible extent, unavoidable casualties excepted; to commit no waste upon the said land and to suffer no waste to be committed upon the portion in its occupancy or use; to take good care of the same and to promptly surrender and return the premises upon the termination of this lease to the party of the first part or to whomsoever shall be lawfully entitled thereto; and not to remove therefrom any buildings or improvements erected thereon during the said term by the said party of the second part, but said buildings and improvements shall remain a part of said land and become the property of the owner of the land as a part of the consideration for this lease, in addition to the other considerations herein specified, excepting that tools, boilers, boiler-houses, pipe-lines, pumping and drilling outfits, tanks, engines, and machinery, and the casing of all dry or exhausted wells shall remain the property of the said party of the second part, and may be removed at any time before the expiration of sixty days from the termination of the lease; that it will not permit any nuisance to be maintained on the premises under its control, nor allow any intoxicating liquors to be sold or given away for any purposes on such premises; that it will not use such premises for any other purpose than that authorized in this lease, and that before abandoning any well it will securely plug the same so as to effectually shut off all water above the oil-bearing horizon.

And it is mutually ~~agreed and~~ understood and agreed that no sublease, assignment or transfer of this lease or of any interest therein or thereunder can be directly or indirectly made without the written consent thereto of the lessor and the Secretary of the Interior first obtained, and that any such assignment or transfer made or attempted without such consent shall be void.

And the said party of the second part further covenants and agrees that it will keep an accurate account of all oil mining operations, showing the whole amount of oil mined or removed; and all sums due as royalty shall be a lien on all implements, tools, movable machinery, and other personal chattels used in said prospecting and mining operations, and upon all of the oil obtained from the land herein leased, as security for the payment of said royalties.

And the party of the second part agrees that this indenture of lease shall in all respects be subject to the rules and regulations heretofore or that may hereafter be lawfully prescribed by the Secretary of the Interior relative to oil and gas leases in the Cherokee Nation.

And the said party of the second part expressly agrees that should it or its or sublessees, heirs, executors, administrators, successors, or assigns, violate any of the covenants, stipulations, or provisions of this lease, or fail for the period of sixty days to pay the stipulated monthly royalty provided for herein, then the party of the first part shall be at liberty, in his discretion, to avoid this indenture of lease and cause the same to be annulled, when all the rights, franchises, and privileges of the party of the second part, its sublessees, heirs, executors, administrators, successors, or assigns hereunder shall cease and end without further proceedings.

If the lessee make reasonable and bona fide effort to find and produce oil in paying quantity as is herein required of it, and such effort is unsuccessful, it may at any time thereafter, with the approval of the Secretary of the Interior, surrender and wholly terminate this lease upon the full payment and performance of all its then existing obligations hereunder: Provided, however, That approval of such surrender by the Secretary will be required only during the time his approval of the alienation of the land is required by law.

I hereby certify that this instrument was filed for record and is duly recorded in Book 200 at Page 27 - 1906 in the office of the records of this office

Received Sep 27-1906 Office of Indian Agent Muskogee Ind Ter