

Form 88 Producers

251874 C.M.J.

AGREEMENT, Made and entered into the 3rd day of January 1924 by and between

J. O. Grimes and Bess Grimes, his wife

of Tulsa, Oklahoma

party of the first part, hereinafter called lessor (whether one or more) and

H. H. Mundy hereinafter called lessee party of the second part, lessee.

WITNESSETH, That the said lessor, for and in consideration of One DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, ha... granted, demised, leased and let and by these presents do... grant, demise, lease and let unto the said lessee, for the sole and only purpose of mining and operating for oil and gas, and of laying of pipe lines, and building tanks, powers, stations and structures thereon to produce, save, and take care of said products, all that certain tract of land, situate in the County of Tulsa, State of Oklahoma, described as follows to-wit:

The Southwest Quarter (SW $\frac{1}{4}$) of the Northeast Quarter (NE $\frac{1}{4}$) of Section 7, Township 20 North, Range 13 East, containing forty acres more or less.

of section 7 Township 20 Range 13 and containing forty 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 the 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 royalty, prevailing market rate Dollars each year, in advance, 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 (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.

3rd. To pay lessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product at the rate of one eighth royalty Dollars per year for the time during which such gas shall be used, payable one eighth royalty or a royalty of one-eighth (1/8) payable monthly at the prevailing market rate.

If no well be commenced on said land on or before the 3rd day of January 1925, the lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or the lessor's credit in the Security National Bank at Tulsa, Oklahoma or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of One Hundred DOLLARS, which shall operate as a rental and cover the privileges of deferring the commencement of a well for twelve months from said date.

In like manner and upon like payments or tenders the commencement of a well may be further deferred for like period 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 privileges 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 upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph herof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use free of cost, gas, oil and water produced on said land for his operations thereon, except water from well of lessor.

When requested by lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for damages caused by his operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed—the covenants herof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

It is further agreed between the parties hereto that the payment of the sum of Sixty Dollars (\$60.00) to the lessor, after the expiration of 90 days from the above date, shall continue this lease in full force and effect, otherwise it shall become null and void.

In Testimony Whereof We Sign, this the 3rd day of January 1924.

WITNESS

J. O. Grimes (SEAL)

Bess Grimes (SEAL)

(SEAL)

ACKNOWLEDGMENT TO THE LEASE

STATE OF OKLAHOMA, COUNTY OF Tulsa ss: Before me, the undersigned, a Notary Public, in and for said County and State on this 3rd day of January, 1924.

Personally appeared J. O. Grimes and Bess Grimes, and his wife, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my official seal and affixed my notarial seal the day and year first above written.

Given under my hand and seal the day and year last above written.

My Commission expires Nov. 16, 1926. (Seal)

Lola McCoy, Notary Public.

STATE OF OKLAHOMA, TULSA COUNTY, SS:

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10:40

A.

This instrument was filed for record on the day of Feb., 1924, at o'clock M.,

and duly recorded in Book 463 Page 133 of the records of this office.

O. G. Weaver,

County Clerk.

(Seal)

By Brady Brown,

Deputy.