

246390 C.J.

OIL AND GAS LEASE

COMPARED

AGREEMENT, Made and entered into the 10th day of December 1923, by and between Senora Jefferson, an incompetent, acting by and through her guardian Raymond Hoagland, both of Tulsa County, Oklahoma, hereinafter called the lessor (whether one or more), and C. W. Titus, W. C. Norris and the Skelly Oil Company, a corporation, all of Tulsa County, Oklahoma, hereinafter called lessees;

WITNESSETH; said lessor for and in consideration of eight thousand dollars (\$8,000.00) cash in hand paid, the receipt of which is hereby acknowledged, and of the covenants herein-after contained on the part of the lessees to be paid, kept and performed, has granted, demised, leased and let, and by these presents does 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 of 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:

The North half of the northeast quarter of section ten (10), Township nineteen (19) north, range ten (10) east, and the south half of the southeast quarter of section three (3), township nineteen north, range ten (10) east, in all containing 160 acres, more or less.

It is agreed that this lease shall remain in force for a term of three years from Nov. 27, 1923, and as long thereafter as oil and gas, or either of them, is produced from said land by the lessees.

In consideration of the premises the said lessees covenant and agree:

1st. To deliver to the credit of lessor, free of cost, to the pipe line to which the lessees may connect their lines, the equal one-eighth part of all produced and saved from the leased premises.

2nd. To pay to the lessor for gas from each well where gas only is found, while the same is being used off the premises, or if used in the manufacture of gasoline or any other product, a royalty of one-eighth payable monthly at the prevailing market price. The lessor shall have gas free of cost from any such well for all stoves and inside lights in the principal dwelling house on said land during the same time by making her own connection with the well at her own risk and expense. If, however, the gas produced from any such well is not more than sufficient to operate the lease, then the provision that the lessor shall have free gas for all stoves and inside lights in the principal dwelling house on the land, or shall have any gas at all for all stoves and inside lights in the principal dwelling house on said land, shall not apply.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or used in the manufacture of gasoline or used in the manufacture of any other product, a royalty of one-eighth, payable monthly at the prevailing market price.

The lessees are to commence a well on this land within thirty days from November 27, 1923, and diligently prosecute the drilling of same till said well is completed. Said well shall be drilled to what is commonly known in that section of the country as the Red Fork sand, unless oil or gas in paying quantity is found at a lesser depth. Said well is to be an offset of any producing oil or gas well that is now an offset to the above land on the south. If 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 the land hereby leased on or before the 27th day of November, 1924, the said lease shall terminate as to all parties, unless the lessees on or before the 27th day of November, 1924, shall pay or tender to the lessor, or to the lessor's credit in the First National Bank at Tulsa, Oklahoma, or its successors,