

SE $\frac{1}{4}$  of NW $\frac{1}{4}$  and NE $\frac{1}{4}$  of NW $\frac{1}{4}$  and E $\frac{1}{2}$  of NW $\frac{1}{4}$  of NW $\frac{1}{4}$ , COMPARED

Section 8, Township 21 North, Range 14 East of I.B. & M., together with the exclusive right to enter upon the said premises and drill or mine for, produce and remove the said oil and gas, and to lay, build, erect, maintain and operate all structures, pipe lines, machinery, appliances, equipment, appurtenances and property necessary or convenient for the drilling or mining for, production, removal, storage, piping and transportation of any oil or gas with the right to use as much of the surface of said land as may be necessary for such purposes, and to extend the term of this lease, for a term of One years from this date upon the following terms and conditions;

That Lessee agrees to deliver to Lessor in tanks on the premises or in the pipe lines with which the wells drilled thereon may be connected one eighth part of all the petroleum oil produced and saved from said premises.

That Lessee agrees to pay to Lessor the sum of \$200.00 Dollars per annum, payable annually in advance for each gas well drilled upon said premises, which produces gas only and from which gas is marketed off the premises for commercial purposes, but until gas is so marketed he shall pay to Lessor \$50.00 Dollars per annum, in advance, for each well drilled on the said premises and producing gas only in paying quantities.

That Lessee agrees to pay to Lessor for gas produced from any oil well and utilized for commercial purposes at the rate of \$50.00 Dollars per year for the period of time during which such gas shall be so used, said payments to be made at the end of Each year.

In consideration of the payment of \$1.00 Dollars, receipt whereof is hereby acknowledged, and of the promises and agreements herein contained, Lessor hereby grants to Lessee the privilege, or option, to extend this lease for not to exceed sixteen consecutive periods of three months each, beginning at the expiration of the original term hereof. Each extension to be in full force and effect upon the payment by Lessee to Lessor of the sum of \$25.00 Dollars on or before the first day of each three month period, upon which payment this lease shall continue in full force and effect for such three month period without any other or further agreement; provided, that upon the failure of Lessee to exercise this option as to any such three month period this lease shall become of no force and effect; provided, further, that if oil or gas in paying quantities is discovered by Lessee during the period of this lease, or any of the extension periods, the term of said lease is hereby extended for as long as oil or gas may be produced and marketed from said premises in paying quantities and the royalties hereinbefore referred to payable for oil or gas when discovered and marketed shall be in lieu of all of the extension payments hereinbefore recited and thereafter to become due.

The Lessor shall have the free use of gas for domestic purposes for one dwelling house on the said premises, such gas to be delivered to him from and at the mouth of any well drilled on the premises, but shall be taken and used by him economically and at his own risk and expense.

The Lessee shall have the right to use free of cost sufficient gas, oil and water from the said premises with which to operate all the machinery used by Lessee in carrying on his drilling and pumping operations on the said premises.

All pipe lines across lands used for agricultural purposes shall, if demanded by the Lessor, be laid below reach of plow.

The Lessee shall not drill any well within two hundred feet of any building now on the said premises without the consent of Lessor.

The Lessee shall pay for all damages caused by it to growing crops on said premises.

All payments accruing under this lease may be made in cash direct to the Lessor, or either of them, or such payment may be made by depositing the same in the First Nat'l