

1. Assignors herein shall render statements to assignee each month of all expenses of the development and operation of said leasehold estates, or any of them, showing the amounts expended and the nature of the expense and the amount chargeable to the assignee herein; and the assignee shall have ten days thereafter to check the said statement and shall have access to the records of assignors at all reasonable times and shall have the right to go upon the leases and inspect the work done and method of operation in order to verify the correctness of said account, and if in his judgment, the said account is incorrect, he shall notify assignors herein, in writing, within said ten day period of his exception to said account, and an adjustment of same shall be made within five days thereafter; and in the event such adjustment can not be made, each party shall immediately and within said five day period, select an arbitrator, and the two arbitrators so selected shall select an umpire, and the matter shall be submitted to and decided by them within five days thereafter, and the decision of the arbitrators shall be binding upon the parties hereto. After such account is agreed upon assignee shall have 5 days within which to make payment of same, and if he fails or refuses to make such payment within that time, assignors, herein shall have and are hereby given a lien upon his interest in the said leasehold estates in the nature of a pledge to secure the payment of said account, and may advertise and sell the said interest of assignee in said leasehold estates as provided for the sale of pledges, to satisfy said account. Any moneys received by them over and above the amount of said account, from the sale of said interest, is to be turned over to assignee.

2. It is understood that assignors herein have commenced the drilling of a well for oil and gas upon the leasehold estates hereinbefore described, which well is to be drilled to a depth of fourteen hundred feet (1400 ft.) unless oil or gas in paying quantities is discovered at a lesser depth, and that the expense of said well to the top of the sand shall be borne by assignors, but that the assignee shall bear his proportionate share of the expense of the drilling and equipping of said well from the top of the sand and shall bear his proportionate share of the cost of casing left in the hole, and shall be the owner of an interest in said casing, equipment and other material in proportion to this interest in said leaseholds, and shall bear his proportionate share of all further development, equipment and operation on said leasehold estates.

3. It is understood that assignors are endeavoring to secure additional leases in this vicinity covering an eighty acre tract, a fifty acre tract and a twenty acre tract, and in the event such acreage is secured assignee is to be advised of the cost thereof and have the option to secure a like interest in said acreage as is hereby conveyed in the leasehold estates described in this assignment, upon the payment of his proportionate share of the cost of such additional acreage, election under this option, however, to be made within 5 days after he is advised that such acreage be secured.

Witness the hands of the parties on this 27th day of February, 1924.

H. H. Mundy

Andrew V. Erwin, ASSIGNORS

W. O. Ligon Jr.

L. E. Cahill ASSIGNEE

STATE OF OKLAHOMA,)
) ss.
COUNTY OF TULSA.)

Before me, a Notary Public in and for the County and State aforesaid, on this 27th day of February, 1924, personally appeared H. H. Mundy and Andrew V. Erwin, known to me to be the identical persons 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.