

used and damaged in any way, the list price less fifteen per cent. discount. COMPARED

In case said well produces oil or gas in paying quantities second party agrees to pay first party his proportionate share of the value of said rig and tankage as above set forth, and of all casing left in the well at list price, less fifteen per cent. discount.

It is understood and agreed that in case oil or gas is found in paying quantities, second party shall have the management and control of the development and operation of the lease, except that the number and location of wells drilled subsequent to the first well shall be agreed upon between the parties before the work is done.

It is further agreed that said property shall be developed and operated in a careful, prudent, businesslike manner: that the expense of developing and operating said property shall include only the wages of persons actually working upon the property, and an overhead of not to exceed \$25.00 per month for each drilling well and \$15.00 per month for each pumping well: that second party shall have charge of the marketing of the oil from said premises, and that the price therefor shall be the posted market price, plus such premium, if any, as is being paid in the vicinity for oil of like quality and gravity.

During the development and operation of said lease second party shall keep accurate accounts of all receipts and disbursements in connection therewith, and shall render first party an itemized statement thereof each month, together with a bill for first party's proportion of the expense for such time as the lease is not self-sustaining, and a check for first party's proportion of the proceeds during such time as the proceeds of oil and gas sold exceeds the expense. It is the understanding and agreement that the parties hereto shall pay the expense of the further development of said lease after the drilling of the first well, in proportion to their respective interests in the lease on which the development and operation is carried on. 485

Party of the first part agrees that party of the second part shall run all oil from the lease, provided, however, that he is to pay in addition to the posted price as much premium as is being paid in the Oklahoma field, for oil of a like gravity.

It is further understood and agreed that second party shall pay all expenses of the drilling of said first well, and that first party shall not be liable for any labor, material, or other expense or claims of any character in connection therewith.

This agreement shall extend to and be binding on the heirs, representatives and assigns of the respective parties hereto.

This contract is not binding on either party unless a well is commenced within the time herein specified.

IN WITNESS WHEREOF, the parties hereto have hereunto signed their respective names the day and year first above written.

Robert H. Hazlett
Party of first part.

H. F. Worley
Party of the second part.

STATE OF OKLAHOMA :
: SS.
TULSA COUNTY :

Before me, F. V. Westhafer, a Notary Public in and for said County and State, on this 27th day of February, 1924, personally appeared H. F. Worley to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

WITNESS my hand and official seal the day and year above set forth.

My commission expires January 28th, 1928 (Seal) F. V. Westhafer, Notary Public