

the prevailing market rate for gas so used, for the time during which such gas shall be used, said payments to be made quarterly.

It is further understood and agreed by and between all the parties hereto that one well is to be drilled by the lessees herein named, upon Tract of land Number Three (3) hereinbefore described, owned and held by A. F. Daugherty, and the said A. F. Daugherty hereby agrees

by and with Vera Setley and W. W. Setley, her husband, the owners of the fee simple title to the Tract of land No. 1, hereinbefore described, as consideration for the drilling of said well upon Tract No. 3, the said Vera Setley and W. W. Setley her husband, shall receive as royalty from Tract No. 3 the 1/3rd of the 1/8th part of the oil, gas, casing-head gas and casing-head gasoline produced and saved from said Tract No. 3 thus owned by the said A. F. Daugherty; and the said A. F. Daugherty hereby agrees by and with A. A. Stilwell and Willie Lee Stilwell, his wife, the owners of the fee simple title to the Tract of land No. 2, hereinbefore described, as consideration for the drilling of said well upon Tract No. 3, the said A. A. Stilwell and Willie Lee Stilwell, his wife, shall receive as royalty from Tract No. 3 the 1/3rd of the 1/8th part of the oil, gas, casing-head gas, and casing-head gasoline produced and saved from said tract No. 3 thus owned by the said A. F. Daugherty.

If no well is commenced on said Tract No. Three (3) as hereinbefore described, on or before Forty-nine (49) days from date hereof, this lease shall terminate as to both parties.

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

Lessees shall have the right to use free of cost, gas, water and oil produced on said land or lands for their operations thereon, except water from wells of lessors.

When requested by the lessors, lessees shall bury their pipelines below plow deep.

No well to be drilled nearer than 50 feet to the dwelling houses on said premises without written consent of lessors.

Lessees 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.

Lessees shall pay for damages caused by their operations to growing crops on said lands.

It is further understood and agreed by and between the parties hereto that it shall be optional with lessees herein, whether or not more than one well shall be drilled upon the above described premises, and it is agreed that if a second well is drilled upon any of the above mentioned tracts, the same proportion of oil, gas, casing-head gas and casing-head gasoline, produced from said well, shall be divided as royalty, between the lessors herein, as hereinbefore set out.

If the estate of either parties hereto is assigned, and the privilege of assigning in whole or part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change in the ownership of the land or the assignment of rentals and royalties shall be binding on the lessees until after the lessees have 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 parts of the rents, due from him or them, such default shall operate to defeat or affect this lease in so far as it covers a part or parts of said lands which said lessees or any assignees thereof shall make due payment of said rental.

Lessor hereby warrant and agree to defend the title to the lands herein described, and agree that the lessees shall have the right at any time to redeem for lessors, by payment,