

(19) Range Twelve (12) East, and containing One (1) acre, more or less.

It is agreed that this lease shall remain in force as long as oil or gas, casing head gas or casing head gasoline or either of them is produced in paying quantities from said land.

COMPARED

IN CONSIDERATION of the premises, the said lessee covenants and agrees;

1st. To pay lessors for gas produced on any well and used off the premises a royalty of One-eighth ($1/8$), payable at the prevailing market rate. Said royalty payment to be made direct to the lessors above mentioned in equal parts of the $1/8$ Royalty.

2nd. To deliver to the credit of lessors above, free of cost, in the pipe line to which they may connect the wells, an equal one-eighth ($1/8$) part of all oil produced and saved from leased premises. Payment to be made direct to lessors above mentioned in equal parts of the $1/8$ Royalty.

In the event the oil produced from the leased premises exceeds One Hundred (100) barrels per day, lessee agrees to deliver to the credit of lessor, free of cost, in the pipe line to which they may connect their wells, an equal one-sixth ($1/6$) part of all the oil and gas produced and saved from the leased premises. By this clause, it is understood that whenever the production exceeds One Hundred (100) barrels per day, lessor is to receive One-sixth ($1/6$) royalty of all oil and gas and whenever the production is below one Hundred (100) barrels, reverts back to One-eighth ($1/8$).

If no well be commenced on said land within thirty (30) days after the completion of the well to be drilled on the Gaylord land directly North, this lease shall terminate as to both parties unless the lessee shall pay to the lessors the sum of Twenty Dollars (\$20.00) per day, each day, until operations are commenced or the lease surrendered. It is understood that this well is to be drilled to what is known as the Wilcox sand, unless oil or gas is found in paying quantities at lessor depth, and after operations are started, operations are to be carried on with due diligence. Time being of the essence of this contract. Lessee further agrees that whenever operations have ceased on these lands to regrade the lot, leaving it in as good condition as is possible as they found it before starting operations.

Lessee agrees to furnish to lessor free gas for dwelling purposes on said land, providing lessors make their own connections with the well at their own risk and expense.

Lessors hereby waive all right to claim for damages to any dwelling on his or their property caused through the drilling of wells on his property or on the Gaylor property directly adjoining.

Lessee shall pay for damages caused by drilling operations to growing crops on said land.

Lessee 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, provided all the provisions of this contract have been fulfilled.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignments of rental or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands and the assignees of such part or parts fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.