

COMPARED It is agreed that this lease shall remain in force for a term of Five (5) years from this date, and as long thereafter as oil or gas or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees;

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth part of all oil produced and saved from said leased premises.

2nd. To pay the lessor for gas from each well where gas only is found the equal one-eighth of the gross proceeds at the prevailing market rate for all gas used off the premises, said payments to be made monthly, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises at the rate of one-eighth of the gross proceeds at the prevailing market price where used for the manufacture of casing-head gas or otherwise per year, for the time during which such gas shall be used, said payments to be made monthly.

If no well be commenced on said land on or before the 9th day of May, 1925, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the American National Bank at Sapulpa, Oklahoma, or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of Forty (\$40.00) Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as heretofore provided. And it is agreed that upon the resumption of the payment of rentals as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

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

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by lessor, lessee shall bury his pipe line below plow depth.

No well shall be drilled nearer than 200 feet to the house or part now on said premises, without the written consent of the lessor.

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