

house on said land during the same time by making his own connections with the well at his own risk and expense.

4th: To paylessor for gas produced from any oil well and used off the premises or in the manufacture of gasoline or any other product, at the rate of one-eighth (1/8) of the gross proceeds for the time during which such gas shall be used, payable quarterly, or a royalty of one-eighth (1/8) payable monthly at the prevailing market rate.

If no well be commenced on said land on or before the time hereinabove mentioned, this lease shall terminate as to both parties, and lessee agrees to immediately file a proper release of the same.

The said lessee shall protect the line of lessor against any offset wells which may be drilled along said lessor's line.

Said lessee shall operate said lease efficiently, and while the lessee is operating the same, if the lessor shall be of the opinion that the same is not being efficiently operated, he is hereby given the privilege of sending a capable person upon said lease to inspect the same, and is privileged to give said lessee instructions on how to operate and protect said lease, which instructions the said lessee shall observe if they are consistent with and in keeping with the best and most efficient methods used in operating for oil in this field.

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 for shall be paid to said 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 his operations thereon.

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

No well shall be drilled nearer than fifty (50) feet to the house or barn now on said premises without the written consent of the lessor.

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.

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 or rentals of 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 parts of the above described land, and the assignee or assignees of such part or parts shall fail to make default in complying with any of the covenants of this lease such default shall not operate to defeat or affect this lease insofar as it covers a part or parts of said lands upon which said lessee or assignee thereof shall make due compliance with said covenants.

Lessor hereby warrants and agrees to defend the title to the land herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgages, taxes, or other liens on the above described land, in event of default of payment by lessor, and to be subrogated to the rights of the holder thereof.

Time is the essence of this contract, and notwithstanding the terms herein specified, unless a well is commenced upon this lease within the time above stated, and drilling operations continued with all due diligence and dispatch until said well is completed either as a producing well or as a failure this lease shall be null and void, and a proper release shall be filed by the lessee releasing the same.