

first well shall prove to be non-producing in the Turkey Mountain Sand, or in any sand encountered before reaching said sand, then the party of the second part shall commence another well within six months from the time of the completion of the first well, which shall likewise be drilled to the said Turkey Mountain Sand and equipped into the tank at his own cost and expense. That if the first well proves to be a producing well, and makes as much as fifty (50) barrels per day, or better in a sand encountered before reaching the Turkey Mountain Sand, and is saved as a producing well, then the cost of the same shall be borne equally between the parties of the first part and the party of the second part, and in which event the second party shall immediately thereafter commence the drilling of a second well, which shall be drilled to the Turkey Mountain Oil Sand, and if found to be producing in paying quantities, the same shall be completed and equipped into the tank at the cost of the party of the second part.

That the drilling of one well to the Turkey Mountain sand which proves to be a producing well in paying quantities when the same is completed and equipped into the tank shall satisfy the obligation of a party of the second part to drill on the said property a well free of cost to parties of the second part, and after the drilling and equipping into the tank of a well to the Turkey Mountain Sand which produces oil in paying quantities, the parties of the first part shall equally share with party of the second part the cost and expense of the drilling of all other wells and the cost and expense of operating the said property, provided, however, that if the first well drilled to the Turkey Mountain Sand does not produce oil in paying quantities, the parties of the first part shall not be obligated to pay any portion of the cost and expense of the drilling of the same, and party of the second part shall be obligated to drill the additional well mentioned above to the said said without cost or expense to parties of the first part, and the same shall be at the cost of the party of the second part, completed and equipped to the tank in as aforesaid.

That the oil and gas mining rights in and to said land shall be owned by the parties of the first part (who shall have an undivided one half interest in the same) and by the party of the second part (who shall have an undivided one half interest in the same) and the said property shall be developed and operated for oil and gas purposes by the party of the second part for the benefit of himself and parties of the first part, except that providing is hereby made for the payment of a royalty of one-sixth of the oil, gas and casing head gas produced from the said land, which royalty shall be payable to parties of the first part, and shall come out of the oil and gas rights in the said land and be treated and dealt with as a royalty, and the aforesaid undivided one half interest of the parties hereto in and to the oil and gas mining rights in the said land shall extend to and exist in only the remaining five-sixth of the oil, gas and casing-head gas which shall be treated and dealt with as a working interest under an oil and gas mining lease, and it is this undivided five-sixths interest in the oil and gas mining rights in and to said land which the parties hereto shall own in undivided interests, as above stated.

The parties hereto shall have the right on their own behalf to drill wells for oil and gas upon the said land, and to utilize the said land for any and all purposes necessary and proper in connection with developing the same for oil and gas and carrying on operations thereon for the production of oil and gas, and shall have the right to dispose of the same upon division orders signed jointly by the parties hereto, and after the payment to the parties of the first part of the said one-sixth of the production as a royalty, the remaining portion of the production shall be owned respectively one half by