

in like manner, and upon like payments or tenders, the commencement of drilling operations may be further deferred for periods of six months during the primary term. The payments or tenders of rental may be made by the check or draft of lessee mailed or delivered to said bank on or before such date of payment. Drilling operations hereunder shall be deemed to be commenced when the first material is placed on the ground. Notwithstanding any devolution, change or division in the ownership of said land, the payments or tenders of rental in the manner herein provided shall be binding on the successors, assigns or legal representatives of lessor. If such bank (or any successor bank) should fail, liquidate or be succeeded by another bank, lessee shall not be held in default for failure to make such payments or tenders until thirty days after lessor shall deliver to lessee an instrument in writing duly executed and acknowledged, naming <sup>an</sup> ~~another~~ bank as agent to receive such payments or tenders. The down cash payment is consideration for this lease according to its terms and shall not be allocated as mere rental for a period.

5. If prior to the discovery of oil or gas on said land lessee should drill a dry hole or holes thereon, this lease shall not be terminated thereby if lessee, before the next ensuing rental paying date, commences further drilling operations or commences or resumes the payment or tender of rentals. If after the discovery of oil or gas the production thereof should cease from any cause, this lease shall not be terminated thereby if lessee commences additional drilling operations within sixty days thereafter or (if it be within the primary term) commences or resumes the payment or tender of rentals before the next ensuing rental paying date. If at the expiration of the primary term oil or gas is not being produced on said land but lessee is then engaged in drilling operations thereon, the lease shall remain in force so long as drilling operations are prosecuted, and, if they result in the production of oil or gas, so long thereafter as oil or gas is or can be produced from any well on said land.

6. Lessee shall have the free use of oil, gas, wood and water from said land, except water from lessor's wells, for all operations hereunder, and the royalty on oil and gas shall be in the net quantity after deducting any so used for operations. Lessee shall have the right at any time during or after the expiration of this lease to remove all property and fixtures placed by lessee on said land, including the right to draw and remove all casing. When required by lessor, lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred feet of any residence or barn now on said land without lessor's consent. Lessor shall have the privilege at the risk and expense of lessor, of making connection and using gas from any gas well on said land for stoves and inside lights in the principal dwelling on said land out of any surplus gas not needed for operations hereunder.

7. The rights of either party under this lease may be assigned in whole or in part and the provisions hereof shall extend to the heirs, personal representatives, successors and assigns, but no sale or assignment by lessor shall operate to enlarge the obligations or diminish the rights and privileges of lessee. No sale or assignment by lessor shall be binding on lessee for any purpose until lessee shall be furnished with an instrument in writing evidencing such sale or assignment. If lessee assigns this lease in part, the obligation (if any exists) to pay rentals is apportioned as between the several owners ratably according to the surface area of each, and default by one of them in the payment of rentals shall not affect the validity of the lease on the portion of the land upon which pro rata rentals are paid or tendered.

8. This lease shall never be forfeited or cancelled for failure by lessee to perform in whole or in part any of its implied obligations, nor while oil or gas is being produced in paying quantities for any cause whatsoever, unless there shall first be a final judicial ascertainment that such obligation or cause exists and that lessee is in default.