

buildings, derricks, pipe lines, tanks, casings, telephone lines, live stock, vehicles located on, in or under said above described property, and all other property of every kind and description on the said lease or belonging to said lease, wherever located.

As further security for the payment of the said note, and the interest thereupon, the party of the first part hereby sells, assigns, transfers and sets over to the party of the second party, onehalf interest of the mineral, oil and natural gas produced and saved from the said premises until the said note and all sums due thereupon are fully paid; and the party of the first part agrees, upon demand of the party of the second part, to execute any other and further instruments of writing, including those required by the pipe line companies or purchasing parties, the Secretary of the Interior of the United States, or those acting under him, as are now, or may hereafter be, necessary to transfer said part of said oil or gas to the party of the second part, or secure the payment for same to be made to the said party of the second part.

It is further agreed that party of the second part may, until all sums are due upon the said note are fully paid, the said party of the second part shall apply to tha such times and in such quantities, and at the then market price, as the party of the second part may think proper, the said oil and gas, however, to be sold at intervals, of not more than sixty days, and all moneys received from such sales shall be held by the said party of the second part until the maturity of the said note, or the date to which it has been extended, at which time, if the same is not fully paid, the said party of the second part shall apply to the payment of said note, and as credit thereupon, the sum then to the credit of the said party of the first part with the party of the second part from such sales of oil and gas. No part of the sums received by the party of the second part from the sale of such oil or gas shall be payable to the party of the first part until the indebtedness hereby secured is fully paid.

It is further agreed that the party of the second part, at the maturity of said note, if there be not sufficient funds to the credit of the party of the second part from the sales of the said oil and gas to fully pay the same, may renew said note for like term as the original term, without notice to party of the first part, unless party of the first part shall elect at such time to make full payment of the same, at the rate of interest, which interest shall be paid in advance for such renewal term from the sum to the credit of the party of the first part from the sale of the said oil and gas and shall be deducted therefrom by party of the second part. And the said party of the second part may continue to renew such note from time to time when due without notice in the same manner for a like term and upon the same terms until the amount of said note and interest is fully paid.

The party of the first part covenants and agrees that it will pay the said note at maturity and the interest thereon when due and will not sell, mortgage, assign or otherwise dispose of the said lease or property above described, and will not permit or suffer any part of the same to become subject to any lien of any kind whatsoever, and will not remove or permit any part of said property to be removed from the said Counties until the indebtedness hereby secured is fully paid; that in event the indebtedness hereby secured, or any part thereof, is not paid, or the interest thereof, is not paid when due, or in event any of the covenants or agreements hereinbefore set out are violated or broken, the party of the second part may declare the whole sum due and foreclose its lien hereunder as hereinafter provided; and in event the party of the second part shall at any time deem itself insecure for any cause without assigning any reason therefor, the party of the second part, its successors or assigns, may, and are authorized to take any one of the following methods to enforce its lien including therein the recovery of all costs, and expenses and a reasonable attorney's fee, as provided in the said note, in the sum of \$10.00 on each note and ten per cent of the amount due on said notes: