

delivered to said party of the second part its promissory note in writing of even date in the principal sum of Eighty-five Thousand Dollars (\$85,000.00) due six months after date, with interest at the rate of six and one-half (6½) per cent per annum from maturity, until paid, and as a part of the consideration of the acceptance of said note on the part of said bank and the extension of credit in the said amount to the said party of the first part, the party of the first part agree to further secure the payment of the said balance of Sixty-five Thousand Dollars (\$65,000.00) now unpaid on said promissory note hereinabove mentioned, to-wit: September 24, 1924.

NOW THEREFORE, as security for the payment of the said promissory notes, hereinabove described, the party of the first part does by these presents mortgage unto the party of the second part, its successors and assigns, the above described oil and gas mining lease and leasehold estate, and all right, title and interest and estate of said first party in and to all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in any wise appertaining including all oil stored on said land belonging to first party, and all and gas wells, oil well supplies and machinery of every kind and character, buildings, derricks, pipe lines, tanks, casings, telephone lines, live stock, vehicles located on, 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 notes, and the interest thereupon, the party of the first part hereby sells, assigns, transfers and sets over to the party of the second part all its 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 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 notes are fully paid, the said party of the second part shall apply to it at 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 notes, 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 notes, 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

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