

wise, a sufficient supply of water to carry on said operations, and including still further the right to use such oil and natural gas as fuel so far as it is necessary to the prosecution of said operations.

In consideration of which the party of the second part hereby agrees and binds itself its heirs, successors, and assigns, to pay or cause to be paid to the United States Indian Agent, Union Agency, Indian Territory, for the lessor, as royalty, the sum of ten per cent of the gross proceeds, on the leased premises of all crude oil extracted from the said land, such payment to be made at the time of sale or disposition of the oil; and the lessee shall pay on each gas producing well utilized, where the capacity is tested at three million cubic feet or less per day of twenty four hours, one Hundred and fifty dollars per annum, and where the capacity is more than three million cubic feet per day, fifty dollars for each additional million cubic feet or fraction thereof. The lessor shall have the free use of gas for lighting and warming his residence on the premises. It is further agreed that a failure on the part of the lessee to use a gas-producing well, where the same can not be reasonably utilized at the rate so prescribed shall not work a forfeiture of this lease so far as the same relates to mining oil but if the lessee desires to retain gasproducing privileges, it shall pay a royalty of fifty dollars per annum, in advance, on each gas-producing well not utilized, the first payment to become due and to be made within thirty days from the date of the discovery of gas.

And the party of the second part further agrees and binds itself its heirs, successors, and assigns, to pay, or cause to be paid to the said agent, for lessor, as advanced annual royalty on this lease, the sums of money as follows, to-wit: Fifteen cents per acre per annum in advance for the first and second years; thirty cents per acre per annum in advance for the third and fourth years, and Seventy-five cents per acre per annum, in advance, for the fifth and each succeeding year thereafter of the term for which this lease is to run; it being understood and agreed that said sums of money so paid shall be a credit on the stipulated royalties; and further, that should the party of the second part neglect or refuse to pay such advance annual royalty, for the period of sixty days after the same becomes due and payable, the Secretary of the Interior, after ten days' notice to the parties may declare this lease null and void, and all royalties paid in advance shall become the money and property of the lessor.

The party of the second part further covenants and agrees to exercise diligence in the sinking of wells for oil and natural gas on the lands covered by this lease, and to drill at least one well thereon within twelve months from the date of the approval of the bond by the Secretary of the Interior, and should the party of the second part fail, neglect or refuse to drill at least one well within the time stated, this lease may, in the discretion of the Secretary be declared null and void, after ten days' notice to the parties; provided that the lessee shall have the privilege of delaying operations for a period not exceeding five years from the date of the approval of the bond to be furnished in connection herewith, by paying to the United States Indian Agent, Union Agency, Indian Territory, for the use and benefit of the lessor, in addition to the required annual advance royalty, the sum of one dollar per acre per annum for each leased tract remaining undeveloped, but the lessee, may be required to immediately develop the tracts leased, should the Secretary of the Interior determine that the