

If the lessee make reasonable and bona fide effort to find and produce oil in paying quantity, as herein required of it, and such effort is unsuccessful, it may at any time thereafter, with the approval of the Secretary of the Interior, surrender and wholly terminate this lease upon the full payment and performance of all its then accrued and payable obligations hereunder: Provided, however, That approval of such surrender by the Secretary will be required only during the time his approval of the alienation of the land is required by law.

It is further expressly agreed that this lease is made with full knowledge of the fact that under the regulations prescribed by the Secretary of the Interior governing the leasing of lands in the Cherokee Nation, Indian Territory, lessees are prohibited from being directly or indirectly interested in leases, in their own names or in the names of other persons, or as owners or holders of stock in corporations, or as members of associations, covering an aggregate of more than 4,800 acres of land in the Creek and Cherokee Nations, that the said prohibition is made a part and condition of this lease, and that the Secretary of the Interior reserves the right to cancel leases at any time during the period for which they are to run, after notice as herein mentioned, when he is satisfied that the terms of the lease or of the regulations heretofore or hereafter prescribed have been violated in any particular, and

it further agrees not to transfer, assign, or sublet, by working or drilling contract or otherwise, or allow the use of the land leased, or any oil or gas in or under it, without first obtaining the consent of the Secretary of the Interior, and that any violation of the lease or of the regulations heretofore or hereafter prescribed by the Secretary of the Interior, respecting oil and gas leases in the Cherokee Nation, shall render this lease subject to cancellation, after ten days from receipt by it of notice, in the discretion of the Secretary of the Interior, whose declaration of cancellation shall be effective without resorting to the court and without further proceedings, and that the lessor shall then be entitled to immediate possession of the land.

If, at any time, the Secretary of the Interior, after due notice to the persons or parties interested, determines that any person, partnership, or corporation has, by means of stock ownership or otherwise, directly or indirectly, obtained and holds interests in leases of oil and gas properties in said Territory, said leases covering, in the aggregate, an area of more than 4,800 acres, and further finds that the property herein leased is a part of said aggregate area, then the Secretary of the Interior may cancel this lease in the same manner as provided for in the case of any violation of the terms of said lease.

It is further agreed and understood that the approval of this lease shall be of no force or effect, unless the part 7 of the second part furnished, within sixty days from the date of approval of the application filed in connection herewith, a bond to the satisfaction of the Secretary of the Interior, in accordance with the regulations of March 20, 1905, prescribed by the Secretary of the Interior, which shall be deposited and remain on file in the Indian Office during the life of this lease.

In Witness Whereof, The said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

ATTEST:

C. J. Avery (witness)  
Secretary, Phillips Oil & Gas Company

Two witnesses to execution by lessor:

William P. Thompson

P. O., Vinita, I. T.

Charles K. Conly

P. O., Vinita, I. T.

Two witnesses to execution by lessee:

Symon Riddle

P. O., Vinita, I. T.

Geo. A. Gatzert

P. O., Vinita, I. T.

United States of America, Indian Territory, Northern District

William P. Thompson of Vinita, I. T. and Charles K. Conly of Vinita, I. T. witnesses to the attached lease executed by Frank Phillips of Skiatook, I. T. to Phillips Oil and Gas Company being by me first duly sworn, upon their oaths state each for himself: That said oil and gas mining lease was in their presence read and fully explained to the lessor and that he understood the nature, contents and effects thereof, and approved of the same.

(Seal) Northern District, I. T. Gaylord N. Bebout Notary Public  
my commission expires Nov. 24, 1909

Certificate of Officer Taking Acknowledgment  
United States of America, Indian Territory, Northern District

Gaylord N. Bebout, a Notary Public within and for the Northern District of the Indian Territory, do hereby certify that William P. Thompson of Vinita, I. T. and Charles K. Conly of Vinita, I. T. witnesses to the attached oil and gas mining lease executed by Frank Phillips to Phillips Oil and Gas Company signed the same in my presence at the request of the lessor; that they are personally well known to me; that I know of my own knowledge that they are reputable persons and entitled to full faith and credit.

Witness my hand and seal as such Notary Public on this 17th day of August 1906.  
(Seal) Northern District, I. T. Gaylord N. Bebout Notary Public  
my commission expires Nov. 24, 1909.

Department of the Interior, U. S. Indian Service, Union Agency, Muskogee, Indian Territory, Sept 4, 1906, 190 . . . The within lease is forwarded to the Commissioner of Indian Affairs with recommendation that it be Approved See my report of even date.

Dona H. Kelsey U. S. Indian Agent.

Department of the Interior, Office of Indian Affairs, Washington, D. C., Sept 20, 1906, 190 . . . Respectfully submitted to the Secretary of the Interior, with recommendation that it be Approved C. J. Larrabee acting Commissioner.

Department of the Interior, Washington, D. C., Oct 1, 1906, 190 . . . Approved Jesse E. Wilson Assistant Secretary of the Interior.

Filed for Record Oct 21 1906, at 8 o'clock A M.

Otto Larson Deputy Clerk and Ex-Officio Recorder.