

from the date hereof, and as much longer thereafter as oil or gas is found in paying quantities, the oil deposits and natural gas in or under the following described tract of land, lying and being within the County of Tulsa and State of Oklahoma, to-wit.

The East-Half of the North East Quarter of Section 25, Township 22, Range 12 East of the Indian Meridian, and containing Eighty acres more or less, according to the United States Survey thereof, with the exclusive right to prospect for, extract, pipe, store and remove oil and natural gas, and to occupy and use so much only of the surface of said land as may reasonably be necessary to carry on the work of prospecting for, extracting, piping, storing and removing such oil and natural gas and also the right to obtain from wells or other sources on said land, by means of pipe lines or otherwise, a sufficient supply of water, to carry on said operations, and also the right to use, free of cost, oil and natural gas as fuel so far as necessary to the development and operation of said property.

2. The lessee hereby agrees to pay or cause to be paid to the lessor, as royalty, the sum of Twelve and One Half (12½) per cent. of the gross proceeds of all crude oil extracted from the said land, such payment to be made at the time of the sale or removal of the oil. And the lessee shall pay as royalty in advance on each gas producing well utilized otherwise than as provided herein, One Hundred and Fifty Dollars per annum. The lessee shall have the free use of gas for domestic purposes in his residence on the leased premises, provided there be surplus gas produced on said premises over and above enough to fully operate the same. Failure on the part of the lessee to use a gas producing well, which can not profitably be utilized at the rate herein 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 gas producing privileges, lessee shall pay a rental of Fifty Dollars per annum in advance on each gas producing well, gas from which is not marketed or not utilized otherwise than for operations under this lease, the first payment to become due and to be made within thirty days from the date of the discovery of gas.

3. The lessee shall exercise diligence in sinking wells for oil and natural gas on land covered by this lease, and drill at least one well thereon within twelve months from the date hereof: Provided, however, there is reserved and granted to the lessee the right and privilege of delaying the drilling of said well for not exceeding five years from the date hereof by paying the lessor, the sum of fifteen cents per acre for the 1st and 2nd years and 30 cts., for the 3rd, and 4th and 75 cts., 5th, per annum for each year the completion of such well is delayed, payable on or before the end of each year; but lessee may be required to drill and operate wells to offset paying wells on adjoining tracts and within three hundred feet of the dividing line.

4. The lessee shall carry on work and development in a workmanlike manner, commit no waste on the said land and suffer none to be committed upon the portion in his occupancy or use, take good care of the same and promptly surrender and return the premises upon the termination of this lease to lessor or whomsoever shall be lawfully entitled thereto unavoidable casualties excepted; shall not remove therefrom any buildings or permanent improvements erected thereon during the said term by the said lessee, but said buildings shall remain a part of said land and become the property of the owner of the land as a part of the consideration for this lease, excepting the tools, derricks, boiler houses, pipe lines, pumping and drilling outfits, tanks, engines and machinery, and the casing of all dry or exhausted wells, which shall remain the property of the lessee, and may be removed at any time prior to sixty days after the termination of the lease; shall not permit any nuisance to be maintained on the premises under lessee's control; shall not