

so that the gas shall be heated throughly to dry same from any moisture and the Margaret Oil Company further agrees that the gas delivered under this contract shall be good dry merchantable gas as near as practicable.

It is further understood and agreed by and between the parties hereto that the said Gulf Pipe Line Company shall keep a true, accurate and complete statement of all ^{the} cost and expenses of materials used and labor performed in putting down and constructing said four inch (4) pipe lines and acquiring right of way therefor from Watkins Station to said point and to furnish an itemized statement of the cost and expenses thereof to the party of the first part.

SECOND: It is further stipulated and agreed on by and between the parties hereto that for and in consideration of the party of the second part putting down and constructing said four inch (4") pipe line, as hereinabove provided for, the party of the first part hereby agrees to sell and dispose of the ^{to} party of the second part gas produced from said above described lands, for its own use, and for the use of its subsidiary and affiliated companies, in an amount up to one million (1,000,000) cubic feet per day, or such other and ^{greater} ~~additional~~ amount of gas as may be used by the said party of the second part, its subsidiary and affiliated companies, in the Glenn Pool, as hereinafter provided, said gas to be furnished to the ~~said~~ party of the second part at a rate of three ⁽³⁾ ~~25~~ cents ⁽³²⁾ per thousand cubic feet up to and including a daily consumption of One Million (1,000,000) cubic feet per day and any other amount over and above said amount of One Million (1,000,000) cubic feet daily shall be furnished to the party of the second part at the regular market rate prevailing in said field for said gas, and the party of the first part furnishes the same to the party of the second part, under the terms and conditions of this agreement:

It is further understood and agreed by and between the parties hereto that in estimating the actual cost of said pipe line, the party of the second part shall not include the meter connections and laterals put down by it at the Watkins end of said pipe line.

THIRD: It is further agreed and stipulated by and between the parties hereto that the party of the first part shall ^{continue} ~~commence~~ to develop said above described lands for the production of gas during the life of this contract whenever the needs and requirements of the party of the second part demand a greater quantity of gas than is being produced from said land, at said time, to the extent of drilling and putting down at least one (1) producing gas well on each forty (40) acres of the above described land, said well to be put down at the expense of the party of the first part, and if the party of the first part shall develop said land for the production of gas therefrom, in accordance with the needs and requirements of the party of the second part, its subsidiary and affiliated companies then the party of the second part is hereby authorized and empowered to develop said land not to exceed the putting down of one (1) producing gas well on each forty (40) acres of said above described lands, at the expense of the party of the first part, and in event said well or wells are put down, the party of the second part is to keep a true and correct statement of the expense and ^{of the cost} ~~cost~~ of putting down each of said wells; and the same shall be paid by the party of the first part; and the party of the second part shall if so desired, credit the amount at the time the same is furnished; it is further understood and agreed on by and between the parties hereto ^{that} the party of the second part shall have the first call up to 1,000,000 cubic feet per day on all ^{now} ~~gas~~ produced or to be hereafter produced on said above described lands, for its own use and for the use of its subsidiary and affiliated companies, and the parties of the first part hereby obligates and binds itself to keep in reserve an amount of gas equal to ~~three~~ (3) times the daily