

consumption of the party of the second part, its subsidiary or affiliated companies; that is to say, if the daily consumption of the said party of the second part amounts to one hundred thousand (100,000) cubic feet daily, the party of the first part shall keep in reserve three Hundred Thousand (300,000) cubic feet of gas, and if the same shall amount to One Million (1,000,000) cubic feet per day, then the party of the first part shall keep onhand and in reserve three Million (3,000,000) cubic feet of gas, and so on: the amount of gas to be kept in reserve shall be estimated according to the average consumption of the preceeding month.

It is further understood and agreed on by and between the parties hereto that a monthly statement showing the daily consumption of the amount of gas used by the party of the second part, its subsidiary and affiliated companies, under the terms and conditions of this contract shall be kept by the party of the second part, and furnished to the party of the first part, without cost or expense until the total value of the gas furnished to the party of the second part, its subsidiary or affiliated companies <sup>under</sup> and on the terms and conditions of this contract shall be equal to the actual cost of procuring and putting down <sup>pipe</sup> said line, hereinbefore provided for, and when the value of the gas so used shall amount to the actual cost of putting down said <sup>pipe</sup> line, then and in that event the said <sup>pipe</sup> line and right of way therefor, from Watkins Station to said well number \_\_\_ on said above described land shall be and become the property of the party of the first part, and the party of the second part shall execute such covenants, conveyances and assurances of title as may be necessary to put the party of the first part in the actual possession and use of said pipe line, and to assure and secure its title thereto:

It is further understood and agreed by and between the parties hereto that in estimating the actual cost of procuring, putting down and constructing said pipe line between said <sup>as herein provided</sup> points, the same shall include the total expense and outlays of the party of the second part for right of way purchased, materials furnished and labor performed in construction thereof, only and no other <sup>charge</sup> expenses shall be <sup>made through</sup> included, and that no interest charge shall be made therefor, provided that in case the said first party shall not be able, by reason of its exhaustion of its supply to furnish sufficient gas under this contract, to pay the party of the second part for the said pipe line, and for the said well or wells which may be drilled by said second party under this contract, that said first party shall not thereby be or become liable to pay in cash for said deficiency, as said expenditures of the party of the second part are only to be paid in gas as herein stipulated, but <sup>if</sup> by reason of the exhaustion of the supply of gas, the first party shall not be able to furnish sufficient gas under this contract to <sup>to</sup> repay the second party the money expended to build said pipe line or to drill said wells, then the party of the first part shall have the right to (pay) the second party, the amount remaining unpaid under this contract, and therefor the said property shall be and become the property of said first party

It is further understood and agreed on by and between parties hereto that this contract and agreement is to remain and be in full force and effect so long as gas is produced <sup>or can be produced in paying quantities</sup> on the above described <sup>lands</sup> premises, and that the party of the second part so long as the party of the first part is able to furnish from said land, gas up to 1,000,000 cubic feet daily, shall purchase all the gas used by it and its subsidiary and affiliated companies in the Glenn Pool and pumping stations in connection therewith on Township 17 and 18, Ranges 11 and 12, from the party of the first part, and the party of the first part hereby agrees to furnish said gas to the party of the second part at the rate of three (3) cents per thousand cubic feet, for a daily consumption of One Million (1,000,000) cubic feet or any part thereof, and if the party of the second part shall call for and consume a greater