

royalties as now provided in leases, one-half of the proceeds shall be paid over by the purchasers to H. F. Sinclair, of Independence, Kansas, P. J. White, of Tulsa, Oklahoma, and Thomas White of Tulsa, Oklahoma, in the proportion of two shares to H. F. Sinclair, and one share to P. J. White and Thomas White, respectively, until they shall have received the sum of One Hundred Seventeen Thousand, Five Hundred, (\$117,500.00) Dollars, the deferred amount mentioned in the beginning and the Producers Oil Company hereby guaranteeing the payment of the purchase price of said oil.

2. That all necessary and proper division orders shall be executed and filed with the pipe line company or companies or purchasers, with which the wells on said lands shall be connected or to which the oil from said lands shall be run, as will entitle and authorize the payment of the proceeds for oil to the proper parties, it being understood and agreed, that payment shall be made during every calendar month ^{or} for oil run or delivered during the preceeding month.

3. It is the intention and agreement of the parties that the said H. F. Sinclair, P. J. White and Thomas White, shall at all times receive for their share of oil as provided herein, the same price as is paid by the Texas Company, a corporation of Texas, for the same grade and quality of oil purchased in Tulsa and Creek Counties, Oklahoma, but if, in case of prevailing low prices, any of said oil shall be sold for less than thirty ((30¢) cents per barrel, then the Producers Oil Company will pay to the holders of said division orders, the difference between the price received by them and thirty (30¢) cents per barrel for the oil so sold, such payments to be made during the calander month following that in which the oil is sold.

4. That it, the said Producers Oil Company, will diligently and faithfully develope and operate said lands and leases in section 19, Township 20 North, Range 13 East, and will carry on all developments and operations in good and workmanlike manner and to the best of its ability. Also that it will faithfully keep and perform each, every and all of the covenants, terms and conditions of all of the leases mentioned in this contract as required by the terms of such leases.

5. That it will not abandon or intentionally wreck any well while the same is producing or can fairly or reasonably be made to produce oil or gas in paying quantities.

6. That in case it shall decide to abandon, cancel, or surrender any lease, it will give sixty (60) day written notice of its said intention to said H. F. Sinclair, and if said Sinclair within said time shall request a transfer or assignment of the lease or leases to which such notice applies, the same shall be promptly executed by Producers Oil Company to the party or parties indicated by the said Sinclair. The written notice herein provided for, shall be deemed given when deposited in the mail with proper postage, and registered to H. F. Sinclair, Independence, Kansas.

7. That it, the said Producers Oil Company, will pay all taxes of every kind or character which from time to time may be legally levied upon or assessed against said property, or any part thereof, such pay-