

3. The party of the second part agrees to commence drilling operations on the above described premises within one year from date hereof, or pay at the rate of \$1.00 per acre per year for each additional year such commencement is delayed from the time above mentioned.

The above rental shall be paid to the credit of first party at Far. & Mer. Bank, Catoosa, Okla. Oklahoma, and it is agreed that the completion of such well shall be and operate as a full liquidation of all rent under this provision during the remainder of the terms of this lease.

The party of the second part shall have the right to use oil gas and water produced on said land, free of royalty, for drilling and operation thereof, except, ~~except~~ water from wells of the first party.

The party of the second part shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

The party of the second part, his heirs, successors or assigns, shall have the right at any time on the payment of One (\$1.00) dollar and all payable obligations then due to the party of the first part, his heirs or assigns, to surrender this lease for cancellation after which all payments and liabilities hereafter to accrue under and by virtue of its terms shall cease and terminate.

Second party agrees to pay the further sum of \$1.00 per year as rent on said land providing the royalty herein does not exceed that amount.

All the covenants and agreements herein set forth, between the parties hereto shall extend to their successors, heirs, executors, administrators and assigns.

Witness the following signatures and seals.

Witnesses:

John Rowe (seal)

T. J. Daugherty (seal)

State of Oklahoma)

Tulsa County ( s.s.

Before me, a Notary Public in and for the said county and state, on this 25 day of January 1910, personally appeared John Rowe, and to me known to be the identical person who executed the within and foregoing instrument and duly acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

In Testimony Whereof, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

(seal)

Guy L. Reed, Notary Public.

My commission expires Aug. 21, 1912.

For and in consideration of the sum of \$1.00 and other good and valuable consideration I. T. J. Daugherty do by these presents sell, transfer, and assign the within oil and gas lease and all my right, title and interest therein to The Lucas Oil Company, of Tulsa, Oklahoma. I acknowledge receipt of said consideration.

T. J. Daugherty.

State of Oklahoma, Tulsa County, S.S.

Before me a Notary Public in and for the said county and state on this 25th day of January 1910 personally appeared T. J. Daugherty to me known