

and that before abandoning any well it will securely plug the same so as to effectually shut off all water above the oil bearing horizon.

And the said party of the second part further covenants and agrees that it will keep an accurate account of all oil mining operations, showing the sales, prices, dates, purchasers, and the whole amount of oil mined or removed; and all sums due as royalty shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in said prospecting and mining operations, and upon all of the unsold oil obtained from the lands herein leased, as security, for the payment of said royalty.

And it is mutually understood and agreed that this indenture of lease shall in all respects be subject to the rules and regulations heretofore or that may hereafter be lawfully prescribed by the Secretary of the Interior relative to oil and gas leases in the Cherokee Nation, and that this lease, or any interest therein, shall not, by working or drilling contract or otherwise, or the use thereof, directly or indirectly, be sublet, assigned or transferred without the consent of the Secretary of the Interior first obtained, and that should it or its sublessees, heirs, executors, administrators, successors, or assigns violate any of the covenants, stipulations or provisions of this lease, or any of the regulations, or fail for the period of sixty days to pay the stipulated royalties provided for herein then the Secretary of the Interior, after ten days from notice to the parties hereto, shall have the right to avoid this indenture of lease and cancel the same, when all the rights, franchises, and privileges of the lessee, its sublessees, heirs, executors, administrators, successors, or assigns hereunder shall cease and end without resorting to the courts and without further proceedings, and the lessor shall be entitled to immediate possession of the leased land and the permanent improvements located thereon.

If the lessee makes reasonable and bona fide effort to find and produce oil in paying quantity, as herein required of it and such effort is unsuccessful, it may at any time thereafter, with the approval of the Secretary of the Interior surrender and wholly terminate this lease upon the full payment and performance of all its then accrued and payable obligations hereunder: Provided, however, that approval of such surrender by the Secretary will be required only during the time his approval of the alienation of the land is required by law.

It is further expressly agreed that this lease is made with full knowledge of the fact that under the regulations prescribed by the Secretary of the Interior governing the leasing of lands of allottees of the Five Civilized Tribes, Indian Territory, lessees are prohibited from being directly or indirectly interested in leases, in their own names or in the names of other persons, or as owners or holders of stock in corporations, or as members of associations, covering an aggregate of more than 4,800 acres of land in the Choctaw, Chickasaw, Cherokee, Creek, and Seminole Nations, that the said prohibition is made a part and conditions of this lease, and that the Secretary of the Interior reserves the right to cancel leases at any time during the period for which they are to run, after notice as herein mentioned, when he is satisfied that the terms of the lease or of the regulations heretofore or hereafter prescribed have been violated in any particular and it further agree not to transfer, assign, or sublet, by working