

of Range 14 East containing fifty acres, more or less.

THE ABOVE GRANT IS MADE UPON THE FOLLOWING TERMS.

1st. Second party agrees to commence the drilling of a well upon said premises within one year from this date or thereafter to pay to said party of the first part fifty (\$50.00) dollars annually payable quarterly in advance until the drilling of said well is commenced or this lease is terminated, as hereinafter provided.

2nd. Should oil be found upon said premises in paying quantities, party of the second part hereby agrees to and shall pay to the party of the first part, out of the proceeds of all oil produced and saved and sold from said premises the one eighth part of the said proceeds as royalty, but is under no obligations to find a purchaser for such oil.

3rd. Should gas be found in paying quantities in any well the consideration in full for such first party shall be at the annual rate of One hundred fifty (\$150.00) dollars payable quarterly in advance for the gas from each well while said gas is being piped and used off said premises, together with the privilege of said part-- to pipe and use gas from said well or wells to heat and light one dwelling house on said premises, so long as said lessee continues to pipe and use said gas from said well said part-- making their own connections, but said lessee does not guarantee against a deficient supply of gas for said dwelling by pumping said well or wells, or otherwise nor shall said lessee be held liable for any injury or injuries to the person or property of said first party arising out of the use of said gas.

4th. Should other minerals than oil or gas be found in paying quantities and said second party elects to develop said other minerals then said second party shall deliver to first part-- at the mouth of shaft or well 1/10 per cent of all such mineral or minerals as may be mined and saved therefrom, should second party elect not to operate such other minerals then first part-- shall have the right to operate for same, provided, such operations do not interfere with operations by second party for oil or gas.

5th. Said second party shall have the privilege of excavating, drilling or boring for water, and of using sufficient water, wood, gas and oil for the premises herein leased to run all machinery for the prosecution of said business on this and adjoining premises, operated jointly as one property and all water, wood and timber otherwise necessary or convenient for the carrying on of mining operations without charge; Provided, however, that when all oil is used, each lease shall furnish its proportion.

6th. Second party shall have free pipe line right of way over this property and any other property owned and controlled by the first party together with a right of ingress and egress for the purpose of laying, maintaining, operating and removing said pipe line and appliances used in connection therewith, but second party shall bury when requested to do so by first party all its oil and water lines used to conduct oil, gas or water over said premises.

7th. Second party shall have free use of the land herein conveyed for the purpose of erecting and maintaining such tankage as may be necessary for the caring for of oil produced by said second party.

8th. For and in consideration of the obligations entered into by the second party and the payment of said sum of one (\$1.00) dollars, the option is hereby granted to second party to cancel this lease at any time after the expiration of one year from the date hereof, by giving notice to first party of its intention to do so,