

a sufficient supply of water to carry on said operations, and including still further the right to use such oil and natural gas as fuel so far as it is necessary to the prosecution of said operations.

IN CONSIDERATION of which the parties of the second part hereby agree and bind themselves, their heirs, successors and assigns, to pay or cause to be paid to the guardian of the estate of said minor as royalty, the sum of Twelve and One-half per cent (12-1/2 per cent) of the gross proceeds on the leased premises of all crude oil extracted from the said land, such payment to be made at the time of sale or disposition of the oil; and the lessees shall pay in yearly payments at the end of each year One Hundred and Fifty Dollars (150.00) on each gas producing well which they shall use. The lessor shall have the free use of gas for lighting and warming his residence on the premises. It is further agreed that a failure on the part of lessees to use a gas producing well, where the same cannot be reasonably utilized at the rate so prescribed, shall not work a forfeiture of this lease so far as the same relates to mining oil, but if the lessees desire to retain gas producing privileges they shall pay royalty of Fifty Dollars (\$50) per annum in advance, on each gas producing well not utilized, the first payment to become due and to be made within thirty (30) days from the date of the discovery of gas.

The parties of the second part further covenant and agree to exercise diligence in the sinking of wells for oil and natural gas on the lands covered by this lease, and to drill at least one well thereon within twelve (12) months from this date, provided that the lessees shall have the privilege of delaying operations for a period not exceeding four (4) years from the expiration of said twelve (12) months, by paying to the guardian of said minors for the use and benefit of said minor, the sum of One Dollar (\$1.00) per acre per annum for each leased track remaining undeveloped, to be paid in advance at the end of said twelve (12) months for each year operations are delayed, and the failure to make such payment in whole or in part in advance shall operate to forfeit the benefits of the lease to the lessees, and the lease shall become void and of no further effect.

The parties of the second part further agree to carry on operations in a workmanlike manner to the fullest possible extent, unavoidable casualties excepted; to commit no waste on the said land, and to suffer no waste to be committed upon the portion in their occupancy or use; to take good care of the same, and to promptly surrender and return the premises upon the termination of this lease to the party of the first part or to whomsoever shall be lawfully entitled thereto, and not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said party of the second part but said buildings and improvements shall remain a part of said land and become the property of the owner of the land as a part of the consideration for this lease, in addition to the other consideration herein specified, excepting tools boilers, boiler-houses, pipe-lines, pumping and drilling outfits, tanks, engines, and machinery, and the casing of all dry or exhausted wells, shall remain the property of the said party of the second part, and may be removed at any time before the expiration of sixty (60) days from the termination of the lease; that they will not permit any nuisance to be maintained on the premises under control, nor allow any intoxicating liquors to be sold or given away for any such purposes on such premises; that they will not use such premises for any other purposes than those authorized in this lease, and that before abandoning any well they will securely plug the same so as to effectually shut off all water above the oil bearing horizon.

And the said parties of the second part further covenant and agree that they will keep