

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 pty of the second part hereby agreeing and binding himself, his heirs, successors and assigns, to pay or cause to be paid to Sandy Johnson, as royalty the sum of one third of Twelve and One-half per cent ( $12\frac{1}{2}\%$ ) 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 lessee shall pay in yearly payments at the end of each year One Hundred and Fifty (\$150.00) Dollars, 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 lessee 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 lessee desires to retain gas producing privileges they shall pay royalty of Fifty Dollars (\$50.00) 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 party of the second part further covenants and agrees to exercise diligence in the sinking of wells for oil and natural gas on the lands covered by this lease, and to drill at lease one well thereon within one year from this date, provided that the lessee shall have the privilege of delaying operations for a period not exceeding four (4) years from the expiration of the said one year, by paying to Sandy Johnson the sum of One Dollar per acre per annum for each leased tract remaining undeveloped, to be paid in advance at the end of the twelve 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 lessee, and the lease shall become void and of no further effect.

The party of the second part further agrees 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 his 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 considerations 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 party of the second part, and may be removed at any time before the expiration of sixty (60) days from the termination of this lease; that he will not permit any nuisance to be maintained on the premises under his control, nor allow any intoxicating liquors to be sold or given away for any such purpose on such premises; that he will not use said premises for any other purposes than those authorized in this lease and that before abandoning any well he 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 he will keep an accurate account of all oil mining operations, showing the sales, prices, dates, purchasers and the whole amount of oil mined and removed; and all sums due as a royalty shall be a lien on all implements, tools, movable machinery, and all other personal chattels