

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 thereon, 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 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 in the Cherokee Nation, 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 Cherokee Choctaw Chickasaw Seminole and Creek Nations, that the said prohibition is made a part and condition 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 agrees not to transfer, assign, or sublet, by working or drilling contract or otherwise, or allow the use of the land leased or any oil or gas in or under it, without first obtaining the consent of the Secretary of the Interior, and that any violation of the lease or of the regulations heretofore or hereafter prescribed by the Secretary of the Interior respecting oil and gas leases in the Cherokee Nation, shall render this lease subject to cancellation after ten days from receipt by it of notice in the discretion of the Secretary of the Interior, whose declaration of cancellation shall be effective without resorting to the court and without further proceedings and that the lessor shall then be entitled to immediate possession of the land.