

event the second party shall within ten days after the well is drilled into or through said gas bearing sand determine whether it is a paying well. In case the second party decides such well is a paying well and desires to take said well, he hereby agrees to pay first party the actual cost of drilling said well, together with cost of rig, casing and other expenses actually attending the drilling of said well.

It is further agreed that if second party does not elect to take said well, the first party will thereupon continue it at his own cost and expense, the drilling of said well.

It is further agreed that in case any well proves to be a paying gas well and is accepted by second party as such, said second party shall pay all gas rental or royalty on said lease on which said well is drilled, or in case any well drilled proves to be a paying oil well and is accepted as such by first party, said first party shall pay all oil rentals or royalties on lease on which said well is drilled.

It is further agreed that first party hereby reserves sufficient gas for drilling and operating of oil wells upon said leases, or any of them, and shall have the right at any time to use gas for such purposes, but only from the casing heads of wells, and if the taking of any such gas by first party shall subject the owners of the gas right to payment of gas rentals on such leases from which casing head gas is so taken, which otherwise would not be payable, the same shall be paid by first party so long and so long only as the taking of gas by him subjects the <sup>owners</sup> ~~owners~~ of the gas right to the charge of gas royalties in the manner aforesaid.

It is further agreed that if at any time either of the parties shall have drilled a test well upon any of the above described properties and such party drilling said test well desires to be released from all further interest in the above leases, the other party will accept an assignment from such party of all his right, title and interest under such lease, or will join with other party in executing a release or surrender of said leases to lessor, but in case of surrender of any lease, the expense thereof shall be borne by the parties hereto in equal shares.

It is further agreed that neither party may drill upon such leases such wells as they see fit, but in any case the oil shall remain the property of the first party and the gas shall become the property of the second party. It being understood that whenever in such drilling the first party obtains a gas well, or the second party obtains an oil well, such party shall notify the other party to this instrument of that fact, and give such party the option of taking over said well at the actual cost of drilling of said well, together with the cost of rig, casing and other attending expenses.

It is further agreed that in the drilling of any wells the party to whom said gas or oil wells belong does not elect to take said well from the other party at the cost above mentioned, after having received ten days notice in writing, then in that event all that particular well only shall belong to and be the property of the party who drilled the same.

It is further agreed that first party shall have the right to protect the lines of above described lease on account of any offset wells producing oil; but should such wells produce both oil and gas in paying quanti-