

unless lessee on or before that date shall pay or tender by the check or draft of lessee, to lessor, or to lessor's credit in the Yoakum National Bank at Yoakum, Texas, or its successors, or in the First National Bank at Houston, or its successors, which shall continue as the depository, regardless of changes in ownership of said land, the sum of Thirty seven and 50/100 Dollars which shall operate as rental and cover the privilege of deferring commencement of operations for the drilling of a well or excavating a mine for twelve (12) months from said date. In like manner and upon like payments or tenders the commencement of such operations may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein covers not only the privileges granted to the date when said first rental is payable as aforesaid, but also lessee's option of extending that period as aforesaid, and any and all other rights conferred.

6. If on any rental date there be neither operations in progress for the drilling of a well or excavating a mine on said land, nor production therefrom, because of voluntary shutdown or for any other reason, this lease shall terminate, unless lessee on or before said date shall make or resume the payment of rentals as herein set forth; provided if such operations be abandoned within a period of ninety (90) days prior to any rental date or if production ceases within such ninety (90) days' period, lessee shall have a period of ninety (90) days after such abandonment of operations or cessation of production within which to commence reworking operations or operations for the drilling of another well or excavating a mine, or within which to make said rental payment, and the commencement of such operations or the payment of such rental within said ninety (90) days period shall have the same force and effect as though commenced or paid on or before said rental date.

7. If, at the expiration of the primary term of this lease neither oil, gas, sulphur nor other mineral is being produced on the leased premises, but lessee is then engaged in drilling for oil or gas or mining for sulphur or other minerals, then this lease shall continue in force so long as drilling or mining operations are being continuously prosecuted on the leased premises; and drilling or mining operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well or mine and the beginning of operations for the drilling of a subsequent well or excavating of a subsequent mine. If oil, gas, sulphur or other minerals shall be discovered and produced from any such well or wells drilling or being drilled or sulphur be discovered and produced from any mine or mines excavated or being excavated at or after the expiration of the primary term of this lease, this lease shall continue in force so long as oil, gas, sulphur or other minerals shall be produced from the leased premises.

8. It is specially agreed that in event oil, gas, sulphur or other minerals is being produced or is obtained, from said premises after the expiration of the primary term hereof and said production shall for any reason cease or terminate, lessee shall have the right at any time within ninety (90) days from the cessation of such production to resume drilling or mining operations in the effort to make said leased premises again produce oil, gas, sulphur or other minerals, in which event this lease shall remain in force so long as such operations are continuously prosecuted, as defined in the preceding paragraph, and if they result in production of oil, gas, sulphur or other minerals, so long thereafter as oil, gas, sulphur or other minerals is produced from the premises.

9. If said lessor owns a less interest in the leased premises than the entire and undivided fee simple estate, or no interest therein, then the royalties, rentals and other moneys herein provided for shall be paid lessor only in the proportion which lessor's interest, if any, bears to the whole and undivided fee.

10. Lessee shall have the right to use, free of cost, gas, oil and water produced on said