

cipal place of business. In event of assignment of this lease as to any part (whether divided or undivided) of said land, the rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area or undivided interest of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating an agent to receive payment for all.

12. Lessee shall have the exclusive right to build, operate and maintain pits, reservoirs, pickup stations and plants for the purpose of picking up and conserving the waste oil that flows down the creeks, ravines and across the land embraced in the lease, whether said oil is produced from land covered by this lease or other lands, and lessor shall be entitled to receive the royalty hereinbefore reserved on all such oil so saved.

13. In case of cancellation or termination of this lease for any cause, lessee shall have the right to retain under the terms hereof twenty five (25) acres of land around each oil or gas well or mine producing, being worked on, or drilling hereunder, as long as such operations are continued in good faith, such tract to be designated by lessee in as near a square form as practicable.

14. In the event lessor considers that lessee has not complied with all its obligations hereunder, both express and implied, lessor shall notify lessee in writing, setting out specifically in what respects lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by lessor. The service of said notice shall be precedent to the bringing of any action by lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on lessee. Neither the service of said notice nor the doing of any acts by lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that lessee has failed to perform all its obligations hereunder.

15. Title to the minerals vested in lessee under this lease shall not end or revert to lessor until there is a complete, absolute and intentional abandonment by lessee of each and all of the purposes, expressed or implied, of this lease and every part and parcel of the premises described in this lease. Lessee may, at any time and from time to time, execute and deliver to lessor, or place of record, a release or releases covering any portion or portions of the above described premises, or any mineral thereunder, and thereby surrender this lease as to such portion or portions or as to such mineral, and be relieved of all obligations and rentals as to the acreage, or mineral, surrendered.

16. Lessor hereby warrants and agrees to defend title to the leased premises and agrees that lessee shall have the right, at any time to pay or reduce for lessor, either before or after maturity, any mortgages, taxes or other liens or interest and other charges on said lands and be subrogated to the rights of the holder thereof, and to deduct amounts so paid from royalties or other payments due or which may become due to lessor and/or assigns under this lease.

IN TESTIMONY, WHEREOF, we sign as of the day and year first above written.

E. S. Cook

THE STATE OF TEXAS...)

COUNTY OF LAVACA.....) BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared E. S. Cook, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 28th day of November, A. D. 1933.

(SEAL)

A. C. Allen,  
Notary Public, in and for  
Lavaca County, Texas.