

lessee hereunder. If the ownership of the royalties becomes changed into separate divided portions of said land and the owners of such royalty desire separate gauges for production from such separate tracts, they shall furnish and set separate measuring and receiving tanks and connections therefor at their sole cost and expense, and lessee shall not be required to offset wells on separate tracts or portions of said land, or to furnish upon or as to any such tract or portion separate measuring or receiving tanks. Notwithstanding any other actual or constructive knowledge or notice whatsoever, thereof, of or to lessee, no change or division in the ownership of the lands, royalties, rental, or other moneys, or of the right to receive same, shall be binding upon the record owner of this lease until 30 days after written evidence of such new ownership, satisfactory to the then record owner of this lease, has been furnished to such owner at his or its principal place of business. If any change in ownership of rental, or any part thereof, occurs by reason of the death of the owner, lessee may nevertheless pay or tender such rental or part thereof to the credit of the decedent in any depository bank named above. In the event of assignment of this lease as to any part (whether divided or undivided) of said land, the rental 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 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 of this lease for any cause, this lease shall nevertheless remain in force and effect as to (1) 40 acres around each oil or gas well or mine producing or being drilled or reworked, or the total acreage then properly assigned to the well or mine for allocation of production allowable or as a drilling unit under the field spacing pattern or applicable governmental order, regulation or law, whichever area is the greater in extent; such acreage to be designated by lessee and to be taken either as nearly as practicable in a square form and centered at the well or in such shape as the then existing spacing rules require; and (2) any part of the leased premises included in a pooled unit on which there is an oil or gas well or mine producing or being drilled or reworked, whether such well is located on or off the leased premises. Lessee shall have all such rights of way, easements and servitudes as may be necessary or useful to lessee in connection with lessee's operations on each such tract so retained by lessee.

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. Lessee may at any time and from time to time execute and deliver to lessor or