

5. That it will not abandon or intentionally wreck any well while the same is producing or can fairly or reasonably be made to produce oil or gas in paying quantities.

6. That in case it shall decide to abandon, cancel, or surrender any lease, it will give sixty (60) days written notice of its said intention to said H. F. Sinclair, and if said Sinclair within said time shall request a transfer or assignment of the lease or leases to which such notice applies, the same shall be promptly executed by Producers Oil Company to the party or parties indicated by the said Sinclair. The written notice herein provided for, shall be deemed given when deposited in the mail with proper postage, and registered to H. F. Sinclair, Independence, Kansas.

7. That it, the said Producers Oil Company, will pay all taxes of every kind or character which from time to time may be legally levied upon or assessed against said property, or any part thereof, such payment to be made when such taxes are, by law, made due and payable.

8. For the purpose of securing the payment of the aforesaid balance of One Hundred Seventeen Thousand Five Hundred, (\$117,500.00) Dollars, said Producers Oil Company hereby mortgages all of the above described property, including all personal property of every kind and nature, with the exception of oil produced, unto the said Alpine Oil Company. And if said Producers Oil Company shall fail or refuse to perform any of the aforesaid conditions or covenants for ten (10) days after being notified in writing that it is in default, by service of notice on any officer or managing agent of said company, stating wherein the default exists, then and in that event the whole of said deferred sum may, at the option of the holders thereof, become due and payable and the parties entitled to receive the same, may enter and take possession of all of the mortgaged property, and said Producers Oil Company