

WTO. MOLSON ROSSIGNOL & TAYLOR
V. M. MORGAN
MORGAN ROSSIGNOL & TAYLOR CO

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1 responsible oil company. It is understood that First Party is also
2 negotiating with prospective lessees, but that Second Party will be
3 consulted by First Party before closing with any prospect procured
4 by First Party, and that the compensation provided for in Para-
5 graph THIRD hereof is not dependent upon Second Party procuring
6 the lessee. In the services already rendered.

7 SECOND: In the event such a lease is procured, Second
8 Party agrees to supervise the same, and to take general charge of
9 investing the proceeds received therefrom by First Party. Second
10 Party also agrees to supervise First Party's interest in the Baker,
11 California, property pursuant to the contract of sale now covering
12 the same, and to use his best efforts to procure additional develop-
13 ment of said property in the event the present contract is terminated.
14

15 THIRD: First Party agrees to give Second Party one and one-
16 half per cent ($1\frac{1}{2}\%$) of 100% out of the landowner's reserved royalty
17 in any oil and gas lease which may hereafter be executed covering the
18 above mentioned property, (it being the intention of the parties
19 that said land be leased on a 16-2/3% or a 12 1/2% landowner's royalty,
20 from which percentage first party will assign, transfer and set over
21 unto Second Party such 1 1/2% thereof), and First Party agrees to execute
22 any and all documents necessary to convey said interest. Said
23 compensation shall not be considered in the nature of a broker's
24 commission, but compensation for the services performed and to be
25 performed by Second Party as First Party's general business manager.

26 FOURTH: It is hereby understood and agreed that as compen-
27 sation to said Second Party for services heretofore rendered by him,
28 First Party agrees that he shall have, in addition to the compen-
29 sation above provided for, the sum of 1 % of 100% of the First
30 Party's reserve royalty in any oil and gas lease which may hereafter
31 be executed, either through the efforts of First Party, Second Party,
32 or otherwise, in any oil and gas lease covering the above-mentioned
property, and First Party hereby assigns, transfers and sets over

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