

And together with all buildings, fences, and improvements situated thereon or appurtenant thereto, and together with all water and water rights, ditch and ditch rights, and reservoir rights situated thereon or appurtenant thereto; subject, however, to all exceptions and reservations contained in the United States Patents, and subject further to all presently existing oil and gas leases, all of which Grantors warrant to have been disclosed to Grantee, and subject to all exceptions and reservations of record for mines and mineral and mining rights, and claims and rights to explore for and recover and produce minerals of any kind or description, and subject further to all easements and rights of way of record or in actual use for roads, highways, telephone lines, and electric transmission lines, but reserving unto the Grantors, for themselves, their heirs, personal representatives and assigns, one-half of the oil and gas minerals and all other minerals in and upon and underlying the aforesaid lands, but with the express understanding, covenant and agreement that the Grantee, its successors and assigns, shall forever have, and is hereby granted, the sole and exclusive right, power and authority to negotiate and execute without the signature, approval or ratification of the Grantors, their heirs, personal representatives or assigns, and upon such terms and conditions, including bonuses, rentals and royalties as the Grantee, its successors or assigns, in its discretion shall deem best, all leases and agreements in connection with the exploration for, production, removal and disposition of all of the aforesaid minerals, including the interest in said minerals reserved herein to Grantors, their heirs and assigns. Grantee, its successors or assigns, shall retain all bonus moneys and all delay rental payments, but the Grantee, its successors or assigns, shall retain only one-half of all royalties (which term shall include "shut-in" gas well royalties, if any) paid under said leases and the remaining one-half of such royalties shall be paid unto the Grantors