

The obligations of Lessee hereunder shall be suspended while Lessee is prevented from complying therewith in whole or in part by strikes, lockouts, labor disturbances, accidents, action of the elements, war, total or partial failure of or inability to obtain materials or supplies or transportation thereof by Lessee or by others usually used or employed by Lessee in its operation hereunder, and/or is prevented by or in conflict with State or Federal laws and/or is prevented by or in conflict with acts, orders, rules and regulations pursuant thereto or other Governmental action or the action of Governmental officers, bodies or agencies acting under authority or claim of authority, having purposes such as, but not limited to, conservation, regulation or control of production of oil and/or gas or drilling or spacing of wells therefor; or, in the case of production, for failure, delay or inability, for causes above specified, to transport products from the demised premises by pipeline; nor as to any obligation when prevented by other matters or conditions beyond the control of Lessee, whether similar or dissimilar to the matters or conditions herein specifically enumerated. Lessee's compliance with any such laws, acts, orders, rules and regulations shall not be deemed a default or cause for forfeiture, and the period of time or times while any obligation of Lessee is so suspended or prevented shall be added to the initial term of this lease, to the end that Lessee shall have the benefit of said full initial term within which to satisfy the obligations as in this lease provided.

Upon the violation of any of the terms or conditions of this lease by Lessee and the failure to remedy the same within ninety (90) days after written notice from Lessor so to do and specifying with particularity the violations complained of, then at the option of Lessor this lease shall forthwith cease and terminate, and all rights of the Lessee in and to said lands be at an end, save and excepting twenty (20) acres surrounding each oil well and one hundred sixty (160) acres surrounding each producing or drilling gas well, and in respect to which Lessee shall not be in default, and saving and excepting rights of way necessary for Lessee's operations, provided, however, that the Lessee may at any time after such default, and upon payment of the sum of Ten (\$10.00) Dollars to the Lessor as and for fixed and liquidated damages quit-claim to the Lessor all of the right, title and interest of Lessee in and to the leased lands in respect to which it has made default, and thereupon all rights and obligations of the parties hereto one to the other shall thereupon cease and terminate as to the premises quitclaimed.

Lessee shall pay all taxes on its improvements and on oil in storage on the assessment date for taxes of each year and seven-eighths (7/8) of any mineral rights, production severance franchise or licensing tax or fee imposed by ordinance computed or based upon or measured by the production of oil and/or gas which may be levied, assessed or imposed by the United States, the state in which the said lands are located, or any county, municipal, political or other subdivision thereof. Lessor shall pay the balance of any or all other taxes or assessments, including one-eighth (1/8) of mineral rights or taxes above listed, including also one-eighth (1/8) of taxes on oil in storage if at the time of assessment Lessee is delivering to the credit of Lessor Lessor's royalty share of oil.

Lessee, at its option, may pay and discharge any liens such as but not limited to taxes, mortgages, and encumbrances which may now or hereafter attach to said lands, in which event Lessee shall be subrogated to the rights of the holder or holders thereof and may, in addition thereto, at its option, reimburse itself by applying to the amounts owing to Lessee by such subrogation any royalties, rentals or other sums accruing hereunder.

In case said Lessor owns a less interest in the above described lands than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided for shall be paid the said Lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessor hereby warrants and agrees to defend the title to said lands herein described.

Upon Lessor's consent first had and obtained, Lessee is authorized to enter into cooperative or unit development contracts or plans with owners, operators and other lessees of oil and gas lands in the area, field or pool embracing all or part of the lands covered hereby, and Lessee is authorized to subject all or any part of the said lands of Lessor to one or more of such cooperative or unit development contracts or plans. Lessee's obligation under this lease shall be fully satisfied by operations conducted on any lands covered by said contracts or plans. Lessor shall, at Lessee's request, execute as a party signatory thereto any such cooperative or unit development contract or plan to which Lessor's consent has been obtained. Any such cooperative or unit development contract or plan and the terms, covenants and conditions therein contained, in so far as they affect lands of the United States, shall be subject to approval of the Secretary of the Interior of the United States.

Lessee, if requested by Lessor, shall bury all pipe lines on cultivated portion of said lands below plow depth and shall not drill, without consent of Lessor, any well nearer than two hundred (200) feet from the main house or barn now on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures, either heretofore or hereafter placed on said premises, whether or not affixed to the land, including the right to remove casing.

Lessee agrees to pay all reasonable damages directly occasioned by its operations to crops and hay on said lands.

Lessor hereby releases and waives all rights of homestead, curtesy or dower and other exemption laws of the state in which the said lands are situate. Lessor expressly acknowledges and declares that the payment received by Lessor for this lease at the time of execution thereof is a good, valid and substantial consideration and sufficient in all respects to support each and every covenant contained herein.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first hereinabove written.

C. M. Hall  
Witness

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Witness

Jessie C. Blackmon

Ward D. Blackmon  
Lessor

GENERAL PETROLEUM CORPORATION OF  
CALIFORNIA

By Ben E. Parsons  
Vice President

(CORPORATE SEAL)