

THIRTEENTH: In computing the amount of any overriding royalty payable hereunder, Second Party shall have the right to deduct from the value of the oil, gas, casinghead gas and other minerals or the proceeds thereof on which such overriding royalty is computed, as aforesaid, the full proportionate amount of any taxes required to be paid or which may be levied or assessed thereon, or on the value thereof, or for or on account of the production, severance, sale, or proceeds thereof, or any part thereof.

FIFTEENTH: As between the parties hereto the full control and discretion as to the location and drilling of wells, the extent and manner of operating and developing said lands as to each and every part thereof for oil and gas purposes and all production and operation practices and all decisions with respect thereto, shall, at all times be vested in Second Party subject only to the exercise of good faith, and nothing herein contained shall be deemed, as between the parties hereto, to obligate Second Party to drill for, produce, save or sell oil, gas, casinghead gas or any other mineral as to any given amount from any of said lands or to continue the production thereof for the benefit of First Party.

SEVENTEENTH: The obligation to pay First Party an overriding royalty depends upon and is subject to the fee title in and to the lands involved being in the United States, and not subject to any preference right claim initiated prior to the application for the lease referred to, and is subject to the unqualified right of the United States to execute and deliver an oil and gas lease upon the lands, but if for any reason the title of the United States fails, or if prior claims or rights be asserted, then and in either such event, there shall be no obligation except as hereinafter provided, upon Second Party to pay or account to First Party for the overriding royalty provided for hereinabove or any other amount or interest in and to the oil, gas, casinghead gas and other minerals produced from said land.

EIGHTEENTH: The consideration for the execution hereof is based upon the understanding that the fee title in and to the lands involved is in the United States, and they are not subject to any preference right claim initiated prior to the application for the lease referred to, and is subject to the unqualified right of the United States to execute and deliver an oil and gas lease upon the lands, but if for any reason the title of the United States fails, or if prior claims or rights be asserted, or if the applicant is not qualified to hold said lands, then and in either such event, the First Party agrees to reimburse the Second Party the consideration paid for all or that portion of the lands in which he has no right or interest.

Witness:

Basil Bunting
H. Burrington

First Party

Arthur O. Bell

Second Party