

or before said date shall pay to Lessors, or the depository bank designated, a delay rental of Sixteen Hundred and Eighty Dollars (\$1680.00); and, said lease also provides that Lessee shall pay Lessors, as minimum royalty, the sum of Sixteen Hundred and Eighty Dollars (\$1680.00) both before and after production is obtained; and the parties to said lease do not intend said payments to comprise a duplication, one of the other; that is, said provisions shall be construed to mean and shall mean that until discovery of oil or gas be made, the delay rental provisions of the lease alone shall be applicable, and thereafter, only the minimum royalty provisions shall be applicable and no further delay rental payments are required to maintain the lease in effect.

3. ~~Lessors hereby grant unto Lessee the right to assign said oil and gas lease, in whole or in part, to Ashmun & Hilliard No. 3, Ltd., 1605 Wilco Building, Midland, Texas, and covenants of said lease shall extend to their heirs, executors, administrators, successors and assigns, and it is hereby agreed in the event this lease be assigned as to a part or parts of the above described lands, and the assignee of such part or parts or the assignor as to the retained portion, shall fail or make default in the payment of the proportionate part of the delay rentals, or minimum royalties, due under the provisions of the lease, such default shall not operate to defeat or affect said lease insofar as it covers a part or parts of the lands as to which the said Lessee or said assignee shall make due payments of said delay rentals or minimum royalties. Except for the assignment to Ashmun & Hilliard No. 3, Ltd., as above, no further assignment of said lease shall be made without the prior written consent of the Lessors first had and obtained.~~

4. Lessors do hereby declare and affirm that the above referenced oil and gas lease is presently in good standing, that