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sold or used off the land subject to said lease, but nothing herein shall require Assignor to save or market gas from said land unless there shall be a surplus above fuel or repressurizing requirements and a market at the well for the same.

(c) 0.532875 cents per barrel of casinghead gasoline extracted from natural gas produced from wells on said land.

Assignee may, at its option, exercisable not more frequently than once in each calendar year, elect to take its royalty oil in kind, in which event such royalty oil shall be delivered as produced and saved into Assignee's tanks on the land subject to said lease, or, without expense to Assignor, to a pipeline designated by Assignee at the mouth of the well. In the event Assignee so elects, its royalty share of oil shall be a percentage determined by dividing 2.175 cents per barrel by the market price per barrel of all such oil, which market price it is hereby agreed shall be the average of the published prices offered by the major oil producing and purchasing companies for oil of like quality and gravity, at the well in the district in which the land subject to said lease is located, on the date of the last exercise of such option by Assignee.

2. Assignor shall have the right, without the consent or participation of Assignee, to conduct operations on the lands subject to said lease by methods now known or unknown together with the right to convert producing wells to injection wells for the purpose of injecting into said land, oil, gas, water or other substances produced from said land or other lands. Assignor shall not be required to account for or pay any production or sum to Assignee on account of any oil, gas or gasoline produced from the lands subject to said lease and used by Assignor in its operation thereon, or lost through evaporation, leakage or otherwise.

3. All payments hereunder to Assignee shall be made by Assignor mailing or delivering a check or checks therefor to Assignee at Christina Avenue, P. O. Box 1188, Wilmington 99, Delaware, or at Assignor's option to ______________________ at ______________________, California, its successors or assigns, herein designated by Assignee as depositary and agent. No division or change in the ownership of the interest hereunder of Assignee shall be binding upon Assignor or upon the depositary until both Assignor and the depositary have been furnished with written evidence thereof satisfactory to them. The payment of any sum by Assignor to the depositary designated herein shall be a full acquittance and discharge of Assignor of and from any and all liability to Assignee hereunder for such sum, and Assignor shall not be responsible at any time for the disposition or disbursement by said depositary of all or any moneys received by it hereunder nor for any charge made by said depositary. Depositary shall have full power and authority in the name of Assignee and his and its heirs, administrators,