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6. Lessee is granted the right and option to consolidate, from time to time, the lands covered hereby, or any portion or portions thereof, with other lands, and to consolidate any stratum or strata under said lands or any portion thereof with the same stratum or strata in and under other lands, to form a unit for the production (i) primarily of oil, or (ii) primarily of gas, with or without distillate, the unit or units to be of such shape and of such dimensions as Lessee may elect, provided that such unit or units when completed shall be composed of tracts each of which is contiguous to, or touches or corners with, some one or more of the other tracts in the unit in such manner as to form one connected tract or unit, and provided further that any tracts included in such unit or units, separated only by a road, highway, street, railroad right-of-way, river, canal, or strip of land having an average width not greater than six hundred (600) feet the title to which strip of land or the minerals therein or any part therein or any part thereof is in the State or the United States or other governmental body, shall be considered as contiguous, cornering or touching within the meaning of this paragraph. Any unit formed for the production of oil shall not exceed in area 40 acres each plus a tolerance of 10% thereof, and any units formed for gas with or without distillate shall not exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified above, units created responsive thereto may conform in size with those prescribed or permitted by such governmental regulations.

7. Lessee may exercise its right and option to consolidate said land or any part thereof as authorized in Paragraph 6 hereof by executing an instrument in writing describing the consolidated unit, specifying the purpose for which such consolidation is made, and mailing or delivering to the Lessor a copy thereof, or by filing same for record in the County where such land is located. Separate consolidations may be made, at the same or at different times, for the purpose of either or both (i) oil or (ii) gas, with or without distillate; and the inclusion of a particular area in a unit for one purpose or stratum shall not preclude the inclusion of such area or any part thereof in another unit for other purpose or stratum. The lands, stratum, strata or estates so consolidated shall be developed and operated as one tract as if said consolidated unit had been originally covered by one lease for the purpose for which the consolidation is made. Any well or wells of the type covered by consolidation (i. e., oil, or gas, with or without distillate) that may have been commenced or completed prior to, or that may be commenced and completed after, the consolidation, on any portion of the consolidated tract, regardless of where located thereon, shall be deemed to have been drilled under the terms of this lease on lands covered hereby for all purposes except for the payment of royalties on production. In lieu of the amount of royalties specified elsewhere herein Lessor shall receive on production from a consolidated unit subsequent to the effective date of consolidation only such portion of the royalties stipulated in Paragraph 3 hereof as his net royalty acreage interest in the lands, stratum or strata placed in the consolidated unit bears to the total surface area of the lands comprising the consolidated unit. The consolidation shall not have the effect of changing the ownership of any rental which may become payable under the provisions of this lease.

8. Lessor hereby expressly waives all rights of exemptions and benefits of any homestead and/or dower laws applicable in this State, insofar as said homestead, and/or dower laws may affect the purpose for which this lease is executed, as recited herein, and not otherwise.

9. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, executors, administrators, successors and assigns of the parties hereto; but notwithstanding any actual or constructive knowledge of or notice to Lessee, no change or division in the ownership of the lands, royalties, or rentals, however accomplished, shall be binding upon the Lessee (except at Lessee's option in any particular case) until forty-five (45) days after Lessee has actually received into its possession at its office where its records with respect to this lease are maintained the original, a copy certified by the official recorder of the County where the land or some part thereof is located, or a photostat, of the recorded instrument or instruments evidencing the change or transfer (including any intermediate transfer from the Lessor or his assigns not theretofore furnished to Lessee), or, in case of death of any person entitled to receive royalties or rentals, the evidence of change in ownership shall consist of letters of administration or final decree of distribution of the estate of the decedent issued by a court of competent jurisdiction of the decedent's estate including his interest in the lands above described, or if requested by Lessee, a certified transcript of the probate proceedings; and such change or transfer shall not affect any payments, or the effects thereof, made prior to said date whether or not due. Lessee may until such date, continue to pay such royalties and rentals as if such change of transfer had not been made, or may pay the same according to the interests of record as disclosed by the last certification of an abstract in Lessee's possession subsequent to the date of execution of the lease, or at Lessee's option, may suspend the payment thereof until forty-five (45) days after such evidence is received. No change or division in the ownership of the land, royalties or rentals shall operate to in any wise enlarge the obligations or diminish the rights of the Lessee. No division of royalties shall, as against the Lessee, be made effective except at the end of a calendar month. In event of assignment by Lessee of this lease as to a segregated portion or portions of said land, all rentals payable hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. The acreage included in any assignment as recited therein in good faith shall be conclusive for the purpose of payment of rentals. Whether or not this lease be owned by one party or by two or more different parties, production under the terms of this lease, or drilling or reworking operations on any portion of the land above described, shall keep this lease in effect upon all the land herein leased. The Lessee shall not be liable for the failure of any subsequent owner of this lease, in whole or in part, to perform the terms, conditions and obligations of this lease, express or implied. Offsetting shall never be required to protect one portion of the leased premises against drainage through a well or wells on another portion of the leased premises. In the event there is stated in this lease, as the interest leased, less than the full title or interest in the lands herein described, this lease shall nevertheless cover all the interest then actually owned or claimed by Lessor even though herein incorrectly stated. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating a person to receive payment for all and in the event the title to or ownership of any of the land herein described, or of an interest therein, or of an interest in any of the royalty hereunder, becomes involved in any litigation or is claimed by someone other than the owner thereof as reflected by Lessee's records, Lessee shall, without being in violation of or default under any of the provisions hereof, have the right, until final determination is made with respect to such litigation or claim, to withhold, without liability for interest thereon, affected royalty payments or to deposit them with a court of competent jurisdiction.

10. Lessee shall have the right at any time during or within one year after final determination of the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. When required by Lessor, Lessee will bury pipe lines below ordinary plow depth.

11. The Lessee agrees to pay for damages to crops or improvements caused by operations of Lessee.

12. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing setting out specifically in what respect Lessee may have failed. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be a condition precedent to the bringing of any action by Lessor on this lease for any cause, and no action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee.

13. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, and in event Lessee does so, Lessee shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. The application of any rentals or royalties to the payment of any tax or any lien which appears of record against said land, or for the reimbursement of Lessee for the payment of any such tax or lien, shall constitute full and complete payment of such sum, in like manner as if such payment had been made to Lessor or to the depository herein named. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns a less interest in the above described land, or any part thereof, than the entire undivided fee simple estate therein, whether or not this lease purports to cover the whole or a fractional interest, then the royalties and rentals to be paid Lessor shall be only in the proportion that his interest bears to the whole and undivided fee and in accordance with the nature of the estate of which he is seized. Lessee shall have the right to accept leases or conveyances from others owning or claiming to own interests in the lands or minerals covered hereby adverse to the rights of Lessor herein. Nothing herein contained shall be construed to deprive Lessee of any right or remedy for breach of warranty afforded by law, including, but not limited to the marshaling of assets in the event of a foreclosure of any lien or encumbrance.

14. This agreement covers the entire understanding of the parties. There are no oral agreements, promises or representations inconsistent with or supplementary to the agreement herein expressed.

IN WITNESS WHEREOF, this instrument is executed the day and year first above written.

WITNESSES:

Lloyd Hicks
Lloyd Hicks

Mary Catherine Hicks
Mary Catherine Hicks