

Mortgage Record, No. 90, Madison County, Iowa

J. H. WELCH PRtg. CO., DES MOINES 7640

Clyde H. Taylor & wife	#669	Filed for record the 27 day of January
To		A.D. 1940 at 8:05 o'clock A.M.
Central States Oil Corp.	Fee \$1.60✓	Pearl E. Shetterly, Recorder
		Wilma M. Wade, Deputy

OIL AND GAS LEASE

AGREEMENT, Made and entered into the 21 day of February 1939 by and between Clyde H. Taylor and Sarah M. Taylor husband and wife of Peru Iowa, hereinafter called lessor (whether one or more) , and Central States Oil Corporation of Winterset Iowa, hereinafter called lessee.

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WITNESSETH, That the said lessor, for and in consideration ofDOLLARS cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements herein-after contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee for the sole and only purpose of drilling and operating for oil and gas, and of laying of pipe lines, and of building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Madison, State of Iowa, described as follows, to-wit: Part of outlet 9 of NW $\frac{1}{4}$ of NW $\frac{1}{4}$ commencing in center of Clanton Creek on a line between out lot 6 and 9 at a point 220 ft. East of NW cor. of said outlet 9 running West along outlet 9, 220 ft, to NW cor. thereof, thence South along west line of said outlet 9 for 485 ft to center of Clanton Creek thence in north easterly direction following center of Clanton Creek to the place of beginning all in of Section 11, Township 74 Range 27W and containing 12 acres, more or less, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of this State.

It is agreed that this lease shall remain in force for a term of 10 years from this date, and as long thereafter as oil, or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth part of all oil produced and saved from the leased premises.

2nd. To pay the lessor one eight royalty for the gas from each well where gas only is found, while the same is being sold off the premises, and lessor to have gas free of cost from any such well for all stoves and all inside lights in the principal dwelling house on said land during the same time by making his own connections with the wells at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used for manufacturing gasoline or used off the premises at the rate of (\$5.00) Five Dollars per year, for the time during which such gas shall be used, said payments to be made each three months in advance.

If no well be commenced on said land, on or before the 21 day of February, 1949, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor or to the lessor's credit in the Union State Bank at Peru Iowa or its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of 25 cents per acre, which shall operate as a rental and cover the privilege of deferring the commencement of a well formonths from said date. In like manner and upon like payments or tenders the commencement of a well may be further deferred for like periods of the same number of months successively. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privilege granted to said the date when/first rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid, and any and all other rights conferred.

Should the first well drilled on the above described land be a dry hold, then, and in that event, if a second well is not commenced on said land within ... months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of saidmonths shall resume the payment of rentals, in the same amount and in the same manner as hereinbefore provided. And it is agreed that on the resumption of the payment of rentals, as above provided, that the last preceding paragraphs hereof, governing the payment of rentals and the effect thereof, shall continue in force just as through there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described laand than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be

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paid the said lessor only the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from well of lessor.

When requested by lessor, lessee shall bury its pipe below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of the owners.

Lessee shall pay all damages caused by its operations to growing crops on said lands.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.

In the event that it becomes necessary for the lessee to construct a power on the above premises to pump the oil from wells thereon, said lessee is to have the right to make all necessary connections and use said power to pump wells on adjoining lands.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rental or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof; and it is hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described lands, and the assignee or assignees of such part or parts shall fail to make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee thereof shall make due payment of said rental.

Lessor hereby warrants and agrees to defend the title to the said lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor, by payment, any mortgage, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

In Testimony Whereof, We Sign this ^{the} 21 day of February 1939.

Witness:

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Clyde H. Taylor (SEAL)
Sarah M. Taylor (SEAL)

NOTARY'S CERTIFICATE OF ACKNOWLEDGMENT

STATE OF Iowa, Madison County)ss.

I, E. E. Hull, A Justice of the Peace in and for said Walnut Twp, Madison Co. in the State of Iowa, DO HEREBY CERTIFY, that Clyde H. Taylor and Sarah M. Taylor personally known to me to be the same persons whose names are subscribed to the foregoing Instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand this 21st day of February A.D. 1939.

COMPARET

E. E. Hull, Justice of the Peace for Walnut
Twp. Madison Co. Iowa
My commission Expires Jan 1-1941

Colby E. Rollstin

#670

Filed for record the 27 day of January 8