

MISCELLANEOUS RECORD NO. 10

HENRY BESTMANN

TO

L. K. HOUGH ETAL

\$2.10 Pd.

Oil and Gas Lease

STATE OF NEBRASKA, } ss.
Sarpy County,

Entered in Numerical Index and filed for record in the County Clerk's office of said County, the 28 day of August 1940, at 5 o'clock and --- minutes, P. M., and recorded in Book 10 page 251 of Misc. County Clerk. Deputy.

By *John C. Becker*

OIL AND GAS LEASE

Form 86 (Producers) (Nebraska)

AGREEMENT, Made and entered into this 25 day of May 19 40 by and between Henry Bestman

L. K. Hough and C. F. Simmons Party of the first part, hereinafter called lessor (whether one or more) and witnesses of the second part, hereinafter called lessee. DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter 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 mining and operating for oil and gas, and laying pipe lines, and building tanks, powers, stations and structures thereon to produce, save and take care of said products, all that certain tract of land situate in the County of Sarpy, State of Nebraska, described as follows, to-wit:

BE NE!

of Section 16 Township 13 N Range 12 E and containing 80 acres, more or less.

It is agreed that this lease shall remain in force for a term of Five years from 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 be connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.

2nd. To pay lessor for gas from each well where gas only is found, the equal one-eighth (1/8) of the gross proceeds at the prevailing market rate, for all gas used off the premises, said payment to be made monthly 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 well at his own risk and expense.

3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing-head gasoline or dry commercial gas, one-eighth (1/8) of the gross proceeds at the prevailing market rate for the gas during which time such gas shall be used, said payment to be made monthly

If no well be commenced on said land on or before the 25 day of May 19 40 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 Banking House of A.W. Clarke at Papillion Nebr. Five DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for 12 months 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 privileges granted to the date when said 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 hole, then and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as hereinbefore provided. And it is agreed that upon the resumption of the payment of rentals, as before provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in 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 operation thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

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

Lessee shall pay for 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.

If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil of gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years herein first mentioned.

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 rentals 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 in the event this lease shall be assigned as to a part or parts of the above described lands and the assignee or assignees of such part or parts shall fail or 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 which the said lessee or any assignee thereof shall make due payment of said rentals.

Lessor hereby warrants and agrees to defend the title to the 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 25 day of May 19 40

WITNESS:

John C. Becker

Henry Bestmann (SEAL)
L. K. Hough (SEAL)
(SEAL)
(SEAL)

ACKNOWLEDGMENT TO THE LEASE

STATE OF NEBRASKA, } ss.
County of Sarpy

Before me W. A. Snare a notary public, duly commissioned and qualified for and residing in said county, personally appeared Henry Bestmann and

W. A. SNARE NOTARIAL * the foregoing instrument and each acknowledged the execution of same to be his voluntary act and deed for the purposes therein expressed.
SEAL COMMISSION EX- *
PIRES JAN 15, 1942 *
SARPY COUNTY, NEBRASKA * day of June 1940.

My Commission expires Jan 15, 1942 W. A. Snare

Payment Made 10-657