

BOOK 154

18422

MORTGAGE

KNOW ALL MEN BY THESE PRESENTS:

WM. DOUGLAS LAYTON, R. M. LAYTON and CLYDE G. LAYTON, as
 THAT the sole partners of Layton Oil Company, a partnership,
 hereinafter referred to as Mortgagor, whether one or more, in consideration of the sum of One Dollar (\$1.00) and other valuable con-
 siderations, and for the purpose of securing the payment of the indebtedness, liabilities and obligations hereinafter described, has
 granted, bargained, sold, conveyed and mortgaged, and does by these presents grant, bargain, sell, convey and mortgage unto THE
 FIRST NATIONAL BANK AND TRUST COMPANY OF TULSA, a National Banking Association, hereinafter called Mortga-
 gee, its successors and assigns forever, the following described property, to-wit:

The oil and gas leases described in Exhibit A,
 attached hereto and made a part hereof,

together with all right, title and interest of
 Mortgagor in and to all other rights, interests,
 and property described in Exhibit A hereto.

REGISTRATION FEE

Amount of Indebtedness, \$225,000.00 - Form 157.50
 Paid On 12 day of August 1969 No. 216
 Sherwin A. Bappier
 Register of Deeds, Franklin County, Kansas

together with all licenses, easements, rights and privileges, and all incomes, rents, royalties, profits and proceeds from the mortgaged
 property, and all oil, gas and casinghead gas hereafter produced from the mortgaged property; together, as to any oil and gas mining
 lease(s) described herein, with all of Mortgagor's right, title and interest in and to all oil wells, gas wells, casing, tubing, rods,
 powers, derricks, tanks, lines, buildings, machinery and all other property now or hereafter located upon or used in connection with
 said lease(s).

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever.

Now if the Mortgagor shall pay all indebtedness herein described due and to become, due during the life of this mortgage, and
 shall fully perform all covenants and agreements herein contained, this conveyance shall be void, otherwise to remain in full force and
 virtue.

This mortgage is given as security for the performance of the covenants and agreements herein contained and for the payment
 of an indebtedness in the principal sum of

TWO HUNDRED TWENTY-FIVE THOUSAND - - - - - DOLLARS 225,000.00

a promissory note signed by Wm. Douglas Layton, R. M. Layton and
 Clyde G. Layton, jointly and severally, and as the sole partners of Layton
 Oil Company, a partnership, dated of even date herewith, in the principal
 amount of \$225,000 payable in 12 monthly installments of \$8,000 each, on the
 26th day of each calendar month, commencing August 26, 1969, and a 13th and
 final installment of \$129,000 on August 26, 1970, with interest on unpaid
 balances from date at a rate equal to the prime rate in effect at said Bank
 as such prime rate shall change from time to time (which prime rate on the
 date hereof is 8% per annum) payable on said principal installment due
 dates,

and for the payment of all extensions and renewals of said note(s) above described, and changes in form of said indebtedness, and
 also for the payment of all future advances made by the Mortgagee to the Mortgagor during the life of this mortgage, and also for
 the payment of all other indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee, actual, direct or contingent, now
 existing or hereafter arising, howsoever created, held and/or acquired by the Mortgagee, whether in the usual course of business
 dealings or otherwise.

All indebtedness, including the indebtedness evidenced by the promissory note(s) hereinafter described, and all advances, lia-
 bilities and obligations hereinabove described, except such as is defined in Paragraph Number Five hereof, are hereinafter referred
 to as indebtedness.

It is expressly provided that the total amount of the indebtedness hereinabove referred to shall not exceed the sum of Three Million
 Dollars, exclusive of interest, attorney's fees and other charges. In the event the amount of said indebtedness shall, at any time
 during the life of this mortgage, exceed the limit hereinabove set forth, then the Mortgagee shall have the option from time to time
 to elect what indebtedness is to be secured hereby, provided that the indebtedness evidenced by the note(s) hereinabove specifically
 described and all renewals and extensions thereof and changes in form thereof shall be always secured hereby.

It is agreed that, as to any oil and gas mining lease(s) hereinabove described, this mortgage shall cover all of Mortgagor's right,