Fee Paid in Montgomery County

Reg. No. 321
Fee Paid $180.62

25762 BOOK 161

MORTGAGE

KNOW ALL MEN BY THESE PRESENTS:

THAT LAYTON OIL COMPANY, a Delaware corporation

hereinafter referred to as Mortgagor, whether one or more, in consideration of the sum of One Dollar ($1.00) and other valuable considerations, 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 Mortgagee, its successors and assigns forever, the following described property, to-wit:

Mortgagor's interests in valid and subsisting oil and gas mining leases, leasehold estates, leasehold interests and rights thereunder covering lands located in Douglas, Franklin and Montgomery Counties, Kansas, as more particularly described on Exhibit A attached hereto and made a part hereof;

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180 62
191 62

STATE OF KANSAS
MONTGOMERY COUNTY } ss

This instrument was filed for record on the 17 day of June A. D. 1971 at 8:30 o'clock A.M., and duly recorded in book 232 of Mtg., page 198

Nora Steinberger Register

By Nora Steinberger Deputy

REGISTRATION FEE

Amt. of indebtedness $72,250.00 Fee $180.62

Paid this 17 day of June 1971

No. 321

NORA STEINBERGER
Register of Deeds, Montgomery 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

Seventy-Two Thousand Two Hundred Fifty and No/100-- DOLLARS ($ 72,250.00)

as evidenced by Mortgagor's promissory note of even date herewith in said amount, payable to the order of Mortgagee in eleven (11) consecutive monthly installments in the amount of $2,400.00 each, due and payable on the 26th day of each calendar month, commencing May 26, 1971, with a 12th and final installment in the amount of $45,850.00 due and payable April 26, 1972, together with interest on the unpaid balance of principal from the date of said note at the rate of eight percent (8%) per annum, payable on dates installments of principal are due;

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 morgage, 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, liabilities 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,