

10. In the event lessee discovers gas in commercial quantities but is unable to market same and this lease is not otherwise being maintained in force and effect, lessee may pay the sum of \$1,600.00 per annum for each well capable of producing gas in commercial quantities; such payment shall be made prior to the expiration of the primary term of this lease or if the primary term has expired within sixty (60) days after lessee shuts in such well or ceases to produce gas therefrom or within sixty (60) days after this lease ceases to be otherwise maintained in force and effect. If such payment is made, this lease shall be considered to be a producing lease and such shut-in gas well payment shall extend the term of this lease for a period of one (1) year from the end of the primary term or, if after the primary term, from the first day of the month next succeeding the month in which such well was shut in or production ceased or this lease ceased to be otherwise maintained in force and effect. Thereafter, if no suitable market for such gas exists, lessee may extend this lease for two (2) additional and successive periods of one (1) year each by the payment of a like sum of money each year as above provided, on or before the expiration of the extended term. If, while this lease is being maintained in force and effect by payment of such shut-in gas well payments, gas should be sold from a well or wells situated within 1,000 feet of the leased premises and completed in the same producing reservoir, or in any case where drainage is occurring, the right to further extend this lease by such shut-in gas well payments shall cease and this lease shall remain in force and effect for the remainder of the current one-year period for which the shut-in gas well payment has been made and for an additional period not to exceed two (2) years from the expiration of the primary term by payment by lessee of compensatory royalty at the royalty rate provided for herein, of the value of production from the well completed in the same producing reservoir from which gas is being sold and which is situated within 1,000 feet of or draining the leased premises on which such shut-in gas well is situated; this compensatory royalty shall be paid monthly to lessor beginning on or before the last day of the month next succeeding the month in which such gas is sold, provided further that such compensatory royalties paid in any twelve-month period must be at least equal to the annual shut-in gas well payment provided for herein. Nothing herein shall relieve lessee of the obligation of reasonable development, nor of the obligation to drill offset wells as required by law or by this lease.