

gas lease in duplicate, executed by you, as Auditor of State, to the Arnold Oil & Gas Company of Bremen, Ohio.

By the lease instrument here in question, there is granted, leased and demised to the lessee, above named, the oil deposits and natural gas in, upon and under a certain tract of school land, situated in Reading Township, Perry County, Ohio, and being the east half of the northwest quarter of the north-east quarter of Section 16, Township 16, Range 16, in said county and state.

By the terms and provisions of this lease, the lessee therein named, agrees to pay to you, as Auditor of State, and State Supervisor of school lands, as royalty, one-eighth of all oil produced and taken from said land, and to deliver such royalty in pipe line to and for your benefit, as such lessor.

By the further terms and provisions of this lease, said lessee is to pay as royalty on each gas producing well the sum of \$200.00 per annum in advance, such times to be calculated from the date of the discovery of gas; with the further provision that the royalty on such gas shall be increased \$40.00 for each 100,000 cubic feet or fraction thereof in excess of one million cubic feet per day, open flow measurement, to be developed from such well or wells.

It appears from recitals contained in said lease that the surface of said tract of land is now owned by one Frank W. Arnold. From this fact, and the further fact that you are now executing this oil and gas lease to the Arnold Oil and Gas Company, I assume that when the surface of this land was sold to said Frank W. Arnold, the provisions of Section 23-1, General Code were observed and that in the deed of this land to him, a reservation to the state was made of all gas, oil or other minerals in, on or under such land.

Upon examination of this lease, I find that the same has been properly executed and acknowledged by you, as Auditor of State, and by the Arnold Oil & Gas Company, the lessee therein named.

I further find, upon examination of the provisions of this lease and of the conditions and restrictions therein contained that the same are in conformity with the provisions of Section 3209-1 General Code and of other statutory enactments relating to leases of this kind.

I am accordingly approving this lease as to legality and form as is evidenced by my approval endorsed thereon and upon the duplicate copy thereof, both of which are herewith returned.

Respectfully,

JOHN W. BRICKER,

*Attorney General.*

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2708.

APPROVAL, NOTES OF SALEM TOWNSHIP RURAL SCHOOL DISTRICT, JEFFERSON COUNTY, OHIO—\$4,606.00.

COLUMBUS, OHIO, May 22, 1934.

*Retirement Board, State Teachers Retirement System, Columbus, Ohio.*