A. Royalty. Each of the Mineral Owners shall have the choice among the following three bonus payment and royalty percentage:

- Option A: Bonus of $2,550 per net mineral acre, 15% royalty;
- Option B: Bonus of $2,300 per net mineral acre, 16% royalty;
- Option C: Bonus of $2,050 per net mineral acre, 17% royalty.

B. Term. All leases are paid-up oil and gas leases and shall have a primary term of 5 years with a 5-year renewal term.

C. Deductions. The royalty agreed to will be without deductions of post-production costs

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