Is There an Implied Obligation to Develop for Oil and Gas When There is an Agreement to Pay Delay Rental?—
If A leases his farm to B for five years and B agrees to give A one-half of the produce raised upon such farm, there would undoubtedly be an implied obligation on the part of B to farm the land with reasonable diligence even though the lease did not expressly so provide, for otherwise there might be no produce of the farm and A might get nothing. If B should not observe this duty A could hold him liable for a breach of this implied agreement. If A's remedy at law were inadequate a court of equity might even hold that there was an implied condition that B should farm the land with reasonable diligence and that if he did not do so, A might forfeit the lease for breach of this implied condition and have it canceled as a cloud on his title.

Likewise if A should lease his land to B for the purpose of exploring for and producing oil and gas, and B covenanted to give to A one-eighth of all the oil or gas produced and saved, there would be an implied obligation that B should explore for and produce oil and gas with reasonable diligence in order that the purpose of the lease might be carried out, for certainly the parties must have intended that B should proceed to search for oil and gas and produce them if found in paying quantities. If B does not