

Joe Pieretti, Frank Giurlani,
and Pete Bianucci,

to

) OPTION
)
)

George Hadley.

OPTION TO AN OIL AND GAS LEASE

The undersigned, JOE PIERETTI, FRANK GIURLANI and PETE BIANUCCI, for and in consideration of the sum of EIGHT HUNDRED (\$800.00)---DOLLARS, to them in hand paid, the receipt whereof being hereby acknowledged, do hereby give and grant to GEORGE HADLEY, presently of Eureka, Nevada, the exclusive right and option to an oil and gas lease on any and all ranch and range lands owned by said optionors, approximately 1640 acres, situate in what is commonly known as and referred to as Pine Valley, Eureka County, Nevada.

This option shall be exercised by the commencement of actual drilling operations on said property, or any part of same, on or before six months from date hereof, and upon the exercise of said option by the commencement of actual drilling operations with suitable equipment, the undersigned agree to execute a standard form oil and gas lease on any portion of said lands selected by you, which lease shall contain the regular standard provisions, and to specifically provide that drilling operations shall be diligently prosecuted until a commercial oil or gas well is brought in or the lease abandoned, and shall further provide that the royalty payments shall be payable in cash at the prevailing field market price at the time of production, the value in its natural state of the equal one-eighth part of all oil and gas, (having due regard for the value of the gasoline or other mineral content of such gas) produced, saved and marketed from the above described premises. Settlement therefor shall be made on the 20th day of each month for minerals produced during the preceding calendar month.

The term of the lease shall be for the period so long as drilling operations are prosecuted with diligence, and if production results therefrom, then as long as production continues, in consideration of the payment of fifty cents (50¢) per acre per year.

During the period commencing with the date hereof, and expiring six months after date hereof, you are to have the sole and exclusive right to enter upon said land, or any portion thereof for the purpose of making geological surveys, and/or geophysical examinations of the said land.

In the event that the patent records of said lands discloses the fact that oil and gas have been reserved therefrom, the undersigned agree to apply for oil and gas leases under the federal regulations at the expense of the optionee, and to convey or assign such federal

leases to said optionee upon the exercise hereof.

The undersigned reserve the right to farm, irrigate, raise and harvest crops and graze and pasture any of said lands during the period of this option or any lease to grow therefrom, except where such operations might materially conflict with optionee's actual drilling or exploration operations.

The undersigned further stipulate that in any lease to be prepared under this option, that the same shall provide that no well shall be drilled nearer than 200 feet from the house or other buildings now on any of said premises without the written consent of the undersigned, and shall further provide that the optionee (lessee) shall pay for any damages caused by his operations to growing crops on said lands; and if water should develop from such operations, the same shall be preserved and not destroyed.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 12th day of March, 1952.

Joe Pieretti

Frank Giurlani

Pete Bianucci

STATE OF NEVADA,)
COUNTY OF ELKO.) SS.

On this 12th day of March, 1952, personally appeared before me, a Notary Public in and for said County and State, JOE PIERETTI, FRANK GIURLANI and PETE BIANUCCI, known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this Certificate first above written.

(Notarial Seal)

Verla McFarlane
NOTARY PUBLIC

For and in consideration of the sum of TEN DOLLARS (\$10.00)

I, GEORGE HADLEY, hereby assign to JAMES C. MCKAY all of my right, title and interest in and to that certain Option and Lease Agreement dated March 12, 1952, entered into by and between Joe Pieretti, Frank Giurlani and Pete Bianucci and George Hadley covering any and all ranch and range lands owned by said Joe Pieretti, Frank Giurlani and Pete Bianucci situate in what is commonly known as and referred to as Pine Valley, Eureka County, Nevada.

Dated: March 15, 1952.

George Hadley
George Hadley

STATE OF NEVADA,)
County of Washoe.) SS.

On this 15th day of March A. D. one thousand nine hundred and fifty-two personally appeared before DOROTHY MOHR, a Notary Public in and for said County of Washoe, GEORGE HADLEY known (or proved) to me to be the person described in and who executed the annexed instrument, who acknowledged to me that he executed the same freely and voluntarily, and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at my office in the County of Washoe, the day and year in this Certificate first above written.

(Notarial Seal)

Dorothy Mohr
Notary Public in and for the County of Washoe, State of Nevada.

My Commission Expires May 16, 1955.

Recorded at the Request of James C. McKay Apr. 22 A.D. 1952 At 0 minutes past 3 P.M.

R. W. Gibson--Recorder.