

Last Frontier Oil Co., Inc.)
)
) OPTION
)
)
Shasta Foundation, Inc. and)
Art Wilson.)

 O P T I O N

March 13, 1956

For and in consideration of the sum of \$100.00 and other good and valuable considerations receipt whereof is hereby acknowledged, we hereby give and grant unto Shasta Foundation, Inc. and Art Wilson, an exclusive option to purchase undivided interests in and to the Pine Valley Leases consisting of approximately 7000 acres which leases cover and adjoin the J. D. Ranch and 2162 acres more or less, located approximately five miles North of Brothers, Oregon, on which there has been drilled an oil and gas well to the depth of 1501 feet. It being understood that we have a verbal commitment to receive the leases in Brothers but if for any reason these leases should not be issued, you will have your same ratio of interest in and to the leases which we presently have covering this property.

The undivided interests referred to herein are over and above the royalties and overriding royalties interests.

It is understood that in order to obtain these interests you are to pay an additional \$2400.00. You are to help obtain extensions for the drilling in Pine Valley to the best of your ability by making a trip to

Eureka, Nevada, to interview Mr. Charlie Damele and are to render other assistance and advice.

It is understood and agreed that when and if the drilling is commenced on the present well on the J. D. Ranch, that you are to receive assignments to an undivided fifty per cent in the above referred to leases, provided that said drilling is commenced within ninety days from today and provided, further that if for any reason drilling is not commenced within ninety days and you have paid the full \$2500.00 in cash you will receive an assignment to an undivided 25% of the above described leases. It being understood that the funds necessary to start the drilling may be raised from the sale of stock of this Corporation, from the sale of the drill rig and equipment owned by this corporation or from any other source whereby we can obtain the funds to start the drilling of said well.

You are to pay your proportionate share of all future rentals on all government leases, and should you not want to pay this rental on any lease you are to assign back to us our share of any lease you do not want to pay your share of rent on. If we ever come to a place where we do not want to pay our share of any rental, we will assign our share to you. The assignments referred to in this paragraph are to be made at least thirty days prior to date rentals are due and no payment is to be made by either party for such assignments.

LAST FRONTIER OIL CO., INC.

(SEAL)

By: George S. Reed
President.

State of Nevada)
) ss.
County of Washoe)

ON THIS 21st day of May, 1956, before me, Harold A. Rueger a Notary Public in and for said County and State, personally appeared George S. Reed, known to me to be the President of the Last Frontier Oil Co. Inc. the Corporation that executed the within Instrument, known to me to be the person who executed the within Instrument, on behalf of the Corporation, therein named, and acknowledged to me that such Corporation executed the within Instrument pursuant to its by-laws or a resolution of its board of directors.

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) Harold A. Rueger
My Commission Expires Feb. 18, 1959 Notary Public in and for said County and State.

State of Nevada)
) ss
County of Washoe)

A. K. Wilson, 1101S. W. 5th Avenue, Portland 4, Oregon
Being First Duly Sworn, deposes and says:

- (1) That the exclusive option which is attached hereto was granted by Last Frontier Oil Co. Inc. on March 13, 1956, to Shasta Foundation, Inc. and A. K. Wilson aka Art Wilson;
- (2) That Shasta Foundation, Inc. has assigned its interest in said option to me;
- (3) That said option has been exercised by me;
- (4) That all things required to be done by either Shasta Foundation Inc. and/or A.K. Wilson, including cash payments, under the terms of said option, have been performed in full;
- (5) That I, A. K. Wilson, am entitled to receive, and am at this time the rightful owner of, an undivided fifty percent (50%) interest in and to all the leases and the lands covered thereby which are referred to in said option; and
- (6) That the leases and/or real property described in "Exhibit A" attached hereto are to the best of my knowledge and belief the lands and/or leases in which I own an undivided fifty percent (50%) interest

And Further deponent saith not.

A. K. Wilson

Subscribed and sworn to before me
this 19th day of June, 1956.

(Notarial Seal) Harold A. Rueger
Notary Public, In and For the County
of Washoe, State of Nevada
Commission Expires Feb. 18, 1959.

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

ON THIS 19th day of June A.D., 1956, before me, Harold A. Rueger a Notary Public in and for said County and State, personally appeared A. K. Wilson, aka Art Wilson, known to me to be the person whose name is subscribed to the within Instrument, and acknowledged to me that he executed the same.

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) Harold A. Rueger
 Notary Public in and for said County
 and State.

My Commission Expires Feb. 18, 1959.

E X H I B I T A

The following leases and/or real property situate in Eureka County, Nevada:

<u>Lease Number</u>	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Acres</u>
06193	27 N	51 E	S $\frac{1}{2}$ of Section 20 S $\frac{1}{2}$ of Section 21	640
08085	26 N	50 E	All of Section 13	640
01832	26 N	50 E	N $\frac{1}{2}$ of Section 24 SW $\frac{1}{4}$ of Section 24 W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 24 W $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 25	640
08084	26N	50 E	All of Section 36	640
08131	26 N	50 E	S $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 1 SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 1 E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 1 W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 1 NW $\frac{1}{4}$ of Section 12 W $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 12 N $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 12 NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12	640
08227	26 N	51 E	SE $\frac{1}{4}$ of Section 19 E $\frac{1}{2}$ of W $\frac{1}{2}$ of Section 19 E $\frac{1}{2}$ of Section 30 E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 30 E $\frac{1}{2}$ of E $\frac{1}{2}$ of Section 31 SW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 31 NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 31	960
08505	26 N	50 E	W $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 25	80
08233	26 N	50 E	Lot 1, Section 1 Lot 2, Section 1 Lot 3, Section 1 Lot 4, Section 1	160
06379	27 N	50 E	NE $\frac{1}{4}$ of Section 35 SE $\frac{1}{4}$ of Section 26 SW $\frac{1}{4}$ of Section 25	480
04651	27 N	51 E	S $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 30 N $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 31 NE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 31	200
04674	27 N	51 E	N $\frac{1}{2}$ of Section 28 N $\frac{1}{2}$ of Section 29	640
Total Page 1				5,720
	26 N	50 E	SE $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 1	40
	26 N	50 E	E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 1	80
	26 N	50 E	E $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 12	80
	26 N	50 E	NE $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12	40
	26 N	50 E	E $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 24	80
	26 N	51 E	Lot 3, Section 6	40
	26 N	51 E	Lot 4, Section 6	40
	26 N	51 E	Lot 5, Section 6	40
	26 N	51 E	Lot 6, Section 6	40
	26 N	51 E	Lot 7, Section 6	40
	26 N	51 E	SE $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 6	40
	26 N	51 E	E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 6	80
	26 N	51 E	Lot 1, Section 7	40
	26 N	51 E	Lot 2, Section 7	40
	26 N	51 E	Lot 3, Section 7	40
	26 N	51 E	Lot 4, Section 7	40
	26 N	51 E	Lot 1, Section 18	40
	26 N	51 E	Lot 2, Section 18	40
	26 N	51 E	Lot 3, Section 18	40
	26 N	51 E	Lot 4, Section 18	40
	26 N	51 E	Lot 1, Section 19	40
	26 N	51 E	Lot 2, Section 19	40
	26 N	51 E	Lot 3, Section 19	40
	26 N	51 E	Lot 4, Section 19	40
	26 N	51 E	Lot 1, Section 30	40
	26 N	51 E	Lot 2, Section 30	40
	26 N	51 E	Lot 3, Section 30	40
	26 N	51 E	Lot 4, Section 30	40
	26 N	51 E	E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 30	80

<u>Lease Number</u>	<u>Township</u>	<u>Range</u>	<u>Section</u>	<u>Acres</u>
	26 N	51 E	NW $\frac{1}{4}$ of NE $\frac{1}{4}$ of Section 31	40
	26 N	51 E	E $\frac{1}{2}$ of NW $\frac{1}{4}$ of Section 31	80
	27 N	51 E	S $\frac{1}{2}$ of NE $\frac{1}{4}$ of Section 30	80
	27 N	51 E	N $\frac{1}{2}$ of SE $\frac{1}{4}$ of Section 30	80
	27 N	51 E	E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 30	80
	27 N	51 E	Lot 4, Section 30	40
	27 N	51 E	Lot 1, Section 31	40

Total - Page 2	1,800
Total - Page 1	<u>5,720</u>
Grand Total	7,520

Note: For the purpose of this Exhibit, all lots and governmental forty-acre sub-divisions are estimated to contain forty acres each. Therefore, the total acreage of 7,520 acres is only an approximate total acreage.

Recorded at the Request of A. K. Wilson July 9 A.D., 1956 At 20 Min. past 4 P.M.

E. B. Crane--Recorder.
By Angela Evans--Deputy.