

File No. 32996

Tom Armstrong and Helen Armstrong

to

The Texas Company

OPTION AGREEMENTOPTION AGREEMENT

THIS AGREEMENT, made the 6th day of February, 1957, by and between TOM ARMSTRONG and HELEN ARMSTRONG, hereinafter called "Optionor", and THE TEXAS COMPANY, a Delaware corporation, hereinafter called "Optionee",

W

W I T N E S S E T H:

THAT, WHEREAS, Optionor is the Lessee under that certain oil and gas lease described as follows, to-wit:

Oil and gas lease dated January 1, 1955, from the United States of America, as Lessor, to Tom Armstrong and Helen Armstrong, as Lessee, serial number Nevada 022763, covering, in addition to other lands, the following described lands in the County of Eureka, State of Nevada, to-wit:

TOWNSHIP 21 $\frac{1}{2}$  NORTH, RANGE 54 EAST, NDB&M

Sec. 31: All

32: All

containing 1154.53 acres, more or less

said lands being hereinafter referred to as "subject lands".

NOW, THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable considerations to Optionor in hand paid by Optionee, the receipt of which is hereby acknowledged, Optionor does hereby give and grant unto Optionee the sole and exclusive right and privilege to purchase and acquire from Optionor, for the sum of Ten Dollars (\$10.00), an assignment of said oil and gas lease, insofar as it relates to and covers the subject lands, or any part or parts thereof, at any time and from time to time within the period (hereinafter called "option period") expiring three (3) years from the date hereof, subject, however, to the overriding royalty reservation hereinafter referred to and upon the following conditions:

1. Any consideration received by Optionor, in accordance with said option, shall be retained by Optionor notwithstanding Optionee electing not to exercise said option.

2. Optionor, shall within 45 days after the date of this agreement, forward said United States lease to Optionee, whereupon Optionee shall cause a photostatic copy of said United States oil and gas lease to be made for its file and return the original thereof to Optionor.

3. The said assignment shall be dated as of the date of the exercise of this option and shall contain a reservation to Optionor of an overriding royalty of two percent (2%) and shall be substantially in the form of "Exhibit A" attached to Optionor's and Optionee's copies of this option and by reference made a part thereof.

4. In the event that said assignment is not made before the 90th day next preceding the last day of the primary term of said lease, if this agreement is then in effect and if Optionee shall request Optionor to apply for an extension of the said primary term as provided in Section 27 of the Act of February 25, 1920, as amended, or to exercise their preference right to a new lease under the provisions of Section 1 of the Act of July 1, 1942, or to take any other action which may be available to them under any statute hereafter enacted whereby the rights of the Lessee under said lease may be preserved or continued to Optionor after the expiration of said primary term, Optionor shall comply with such request, and the said option shall be applicable to any such renewal or extended lease or other rights until the expiration of said period ending three (3) years after the date hereof.

5. This option shall be deemed to have been exercised when Optionee shall deposit in the United States mail, with postage thereon fully prepaid, a written notice of such exercise addressed to Optionor at 4239 Tyler Street, Fresno 2, California. Thereupon Optionor will execute, acknowledge and deliver to Optionee an assignment, in quadruplicate, substantially in the form annexed hereto.

The exercise of this option with respect to a part only of the subject lands shall not exhaust Optionee's rights hereunder, but Optionee may, from time to time during the option period, exercise said rights with respect to various parts of the subject lands.

6. Optionee may at any time surrender its right to acquire all or any part of the subject lands, and thereupon all rights and obligations hereunder with respect to the lands as to which said rights are surrendered shall cease.

7. Optionor agrees to pay or cause to be paid all rentals which become payable to the United States under said lease while this option remains in effect, and Optionee agrees to pay to Optionor an amount equal to such part of said rentals, if any, as is paid by Optionor with respect to the lands remaining subject to this option at the time of payment by Optionor.

8. Time is of the essence hereof, and if said option is not exercised within the option period, this agreement shall thenceforth cease to be of any force or effect.

9. This agreement shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be duly executed in duplicate the day and year first above written.

Tom Armstrong  
TOM ARMSTRONG

Helen Armstong  
HELEN ARMSTONG

OPTIONOR

THE TEXAS COMPANY

By G.R. Couper  
Its attorney in fact

Attest E. B. Liles  
Assistant Secretary

OPTIONEE

(Company Seal)

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF LOS ANGELES )

On This 18th day of March, 1957, before me, Charlotte M. Galland, a Notary Public in and for said County and State, residing therein, duly commissioned, and sworn, personally appeared G. R. COUPER known to me to be the person who executed the within instrument on behalf of the TEXAS COMPANY, a Delaware corporation, the corporation therein named, and whose name is subscribed to the within instrument as the attorney in fact of said corporation, and acknowledged to me that he subscribed the name of said corporation thereto as principal, and his own name as attorney in fact, and acknowledged to me that such corporation 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)

Charlotte M. Galland  
Notary Public in and for said County  
and State.

My commission expires: July 25, 1960

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF FRESNO )

On this 6th day of February, in the year nineteen hundred and fifty-seven, before me, Hope Porter, a Notary Public in and for the County of Fresno, State of California, residing therein, duly commissioned and sworn, personally appeared Tom Armstong and Helen Armstrong, his wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

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

(Notarial Seal)

Hope Porter  
Notary Public in and for the County  
of Fresno, State of California

My commission expires 4-16-60

Recorded at the request of The Texas Company, May 7, A.D. 1957 AT 50 minutes past 10 A.M.

Clara Crane, Recorder.  
By Marian Herrera, Deputy.