

File No. 34099

ORIGINAL

NOVATION AND AMENDMENT

NOVATION AND AMENDMENT to that Joint Venture Agreement executed September 21, 1958, by and between FRANK L. ASTA and LEROY R. STIEBER; and that undated Joint Venture Agreement executed September 15, 1958, by and between WILLIAM and ELLA LISS, ELMER and GAIL MENGES and ADALYN SCHIBBE, on the one part, and FRANK L. ASTA and LEROY R. STIEBER on the other part; and that undated Joint Venture Agreement executed September 15, 1958, by and between NORMAN H. and JOYCE L. KAUSE, on the one part and FRANK L. ASTA and LEROY R. STIEBER on the other part: as it affects the rights, privileges, powers and immunities of said LEROY R. STIEBER and FRANK L. ASTA.

AGREEMENT made this 16 day of MARCH, 1959 by and between LEROY R. STIEBER and FRANK L. ASTA:

W I T N E S S E T H

WHEREAS, the parties hereto have previously entered into Joint Venture Agreements concerning gas and oil leases in PINE VALLEY, HERBERA COUNTY, NEVADA: both amongst themselves (executed September 21, 1958) and with other investors (executed September 15, 1958, but undated) hereinafter more specifically named; and

WHEREAS the parties hereto have various gas and oil leases to fee lands in said area, and have fifty percent (50%) interest by assignment of gas and oil leases from other investors, hereinafter more specifically named, to government land in said area by assignments and contracts mentioned in the title hereto; and

WHEREAS differences and difficulties have arisen between the parties hereto making it impossible to successfully conclude the original intentions of the parties; and

WHEREAS it is the intention of the parties hereto to alter the legal relations existing between said FRANK L. ASTA and LEROY R. STIEBER to said gas and oil leases and assignments in the following manner:

1. Any joint venture agreement or partnership agreement or tenancy in common or joint tenancy is hereby cancelled, rescinded and voided except as hereinafter specifically provided.
2. From this date on forth any and all activities or ventures, purchases, promotions, acquisitions, leases, subleases, developments, sales, assignments and management of any and all oil and gas leases by either party shall be done as individuals; proceeds thereof shall remain the separate and distinct property of the individual party conducting said activity, except as hereinafter provided. It being understood that none of the profits and benefits therefrom nor any of the burdens or expenses in connection therewith shall be borne or shared by the other party, nor shall either party claim any action or actions of the other party shall constitute a trust for the inactive party, except as hereinafter provided.
3. All oil and gas leases to land situated in PINE VALLEY HERBERA COUNTY, NEVADA in Township 30 North, Range 51 East; Township 31 North, Range 52 East; Township 30 North, Range 52 East and Section 4, 1/2NW1; and Section 5ENE1 of Township 29 North, Range 52 East, shall be managed, controlled and operated by said FRANK L. ASTA with no interference, interruption or hinderance by said LEROY R. STIEBER. Gas and oil leases to said land is hereinafter referred to as "feeland." Said FRANK L. ASTA shall assume

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Recorded at the Request of LeRoy R. Stieber, April 16, A. D. 1959 at 32 minutes past 2 P. M.

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and bear all expenses and obligations incurred or to be incurred therewith, including any expenses incurred because of that addendum to that oil and gas lease executed and dated September 25, 1958, entitled Exhibit "A" (executed and dated September 26, 1958) by and between WILLIAM K. and ELLA M. AND, as lessors and FRANK L. ASTA and LEROY R. STIEBER as lessees.

4. All oil and gas leases to land situated in PINE VALLEY, BURKEA COUNTY, NEVADA in Township 29 North, Range 52 East (except Sec. 4, W $\frac{1}{2}$ NW $\frac{1}{4}$ and Sec. 5 E $\frac{1}{2}$ NE $\frac{1}{4}$ thereof), Township 28 North, Range 51 East; Township 28 North, Range 52 East; Township 27 North, Range 51 East; Township 27 North, Range 52 East, shall be managed, controlled and operated by said LEROY R. STIEBER with no interference, interruption or hindrance by said FRANK L. ASTA. Gas and oil leases to said land is hereinafter referred to as "government land." Said LEROY R. STIEBER shall assume all expenses and obligations incurred or to be incurred therewith.

5. All profits realized by either party from those leases hereinafter more specifically mentioned which were acquired prior to execution of this instrument shall be divided equally with the other party. Both parties are to give written notice of their activities and accountings to LOUIS C. MENOFFI at 141 SOUTH BARRINGTON AVENUE, LOS ANGELES 49, CALIFORNIA within thirty (30) days of such actions or profits, who shall then notify all interested parties.

6. The parties are individually to bear the full and sole extent of the cost and expenses and obligations incurred by the party creating such cost, expense and obligation in regard to said gas and oil leases and activity upon that land which they control, manage and operate. Each party agrees to hold the other party free and clear from all such cost, expenses and obligations and further agrees to reimburse the necessary expense incurred in defending or negotiating a compromise to any claim resulting from the above mentioned cost, expense and obligations; it being understood that this includes any costs incurred in instituting any quiet title action mentioned in the addendum executed and dated September 26, 1958 above referred to; and

WHEREAS it is the intention of the parties that any future action, activities or acquisitions by either party in regard to any oil and gas leases or whatever, no matter where located even though in the same general area, as has been heretofore specified, shall be the separate and distinct property of said party and not subject to any claim in reference to the profits or a portion thereof; and

WHEREAS NORMAN H. and JOYCE L. KRAUSE have invested in certain government lands in Township 29 North, Range 52 East and have been refunded one thousand dollars (\$1000.00) by the Government; it is the intention of the parties that if said NORMAN H. and JOYCE L. KRAUSE reinvest said one thousand dollars (\$1000.00) or any part thereof in any of the oil and gas leases in said PINE VALLEY area under similar joint venture agreements or assignments with either party hereto, that the oil and gas leases acquired by said one thousand dollars (\$1000.00) or any part thereof shall be deemed to have been acquired prior to execution of this agreement and shall be subject to the terms of this agreement and operated, controlled and managed by that party who controls the Township and Range in which said oil leases are situated.

WHEREFORE, for and in consideration of the mutual covenants and agreements set forth below, the above named parties, FRANK L. ASTA and LEROY R. STIEBER, each for himself, his heirs, executors, administrators and assigns, agrees as follows:

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FIFTH: That Joint Venture Agreement executed and dated September 21, 1958 by and between FRANK L. ASTA and LEROY R. STIEBER is hereby cancelled, rescinded and voided.

Any and all actions, activities, ventures, purchases, promotions, acquisitions, leases, subleases, developments, sales, assignments and management of any and all oil and gas leases by either FRANK L. ASTA or LEROY R. STIEBER from the date of execution of this instrument shall be done as separate and distinct individuals of the parties so acting, and the proceeds thereof shall remain the separate and distinct property of said party, not subject to any claim by the other. It being understood that none of the profits and benefits therefrom nor any of the burdens or expenses in connection therewith shall be borne or shared by the other party, nor shall either party claim any action or actions of the other party shall constitute a trust for the inactive party, except as hereinafter provided.

SECOND: FRANK L. ASTA shall manage, control and operate all necessary activities in regard to oil and gas leases and assignments thereto to fee lands described as lands as follows: in PINE VALLEY EUREKA COUNTY, NEVADA in Township 30 North, Range 51 East; Township 31 North, Range 52 East; Township 30 North, Range 52 East; and Section 4, NW¹ and Section 5, ENE¹ of Township 29 North, Range 52 East.

The above paragraph refers to only the following specifically described lands and oil and gas leases thereto:

1. Oil and gas mining lease dated September 25, 1958 by and between WILLIAM R. and ELLA M. RAND, husband and wife as lessor, and FRANK L. ASTA and LEROY R. STIEBER as lessees and the addendum thereto dated September 26, 1958 entitled exhibit "A" to the following sections of the County of EUREKA, STATE OF NEVADA:

Sec. 10 SW¹, NE¹SW¹; Sec. 21 NW¹, W¹SW¹; Sec. 20, All;
Sec. 18, W¹; Sec. 29, N¹NE¹, N¹SE¹; Sec. 28, S¹SE¹;
Sec. 30, All, all in Township 30 N., Range 52 East.
Sec. 24, All; Sec. 26, All; all in Township 30 North,
Range 51 East, containing 3,040 acres, more or less.

2. Oil and gas mining lease dated October 1, 1958 by and between MARY RAND BAILEY, PALM SPRINGS, NEVADA as lessor, and FRANK L. ASTA and LEROY R. STIEBER as lessees to the following sections of the COUNTY OF EUREKA, STATE OF NEVADA:

Section 32, SE¹, NE¹NW¹, S¹NE¹;
Section 33, W¹W¹, All in Township 30 North, Range 52 E.,
M.D.B. & M.
Section 4, N¹SW¹;
Section 5, ENE¹; all in Township 29 North, Range 52 East
M.D.B. & M., containing 540 acres, more or less.

3. Oil and gas mining lease dated January 1, 1959 by and between JOHN and ANNE TOMBERA, husband and wife, as lessor, and FRANK L. ASTA and LEROY R. STIEBER as lessees to the following sections of the COUNTY OF EUREKA, STATE OF NEVADA:

Section 20, W¹, W¹SE¹, S¹NE¹;
Section 29, E¹, LIA¹;
Section 32, NE¹, NE¹SE¹. All in Township 31 North, Range 52 East,
containing 1,120 acres more or less.

4. Oil and gas mining lease dated January 1, 1959 by and between BARIETA TOMBERA, BALDWINA TOMBERA, GEORGE TOMBERA, JULIAN TOMBERA and MALFISA TOMBERA as lessors, and FRANK L. ASTA and LEROY R. STIEBER as lessees to the following sections of the COUNTY OF EUREKA, STATE OF NEVADA:

Section 32, N¹, W¹SE¹, S¹SE¹, T. 31 N., R. 52 East.
Section 6, All; Section 8, All; Section 17, All;
Section 18, E¹; Sec. 16, W¹NW¹; Sec. 5, SW¹, all in T. 30 N.,
R. 52 E.
Section 2, All; Section 12, All; Section 14, W¹, NE¹; N¹SE¹;
all in T. 30 N., R. 51 E., containing 4760 acres, more or less.

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Recorded at the Request of Leroy R. Stieber, April 16, A. D. 1959 at 32 minutes past 2 P. M.

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THIRD: LEROY R. STIEBER, shall manage, control and operate all necessary activities in regard to oil and gas leases and assignments thereto to government lands describes as lands as follows: in PINE VALLEY, EUREKA COUNTY, N. VADA in Township 29 North, Range 52 East (except Sec. 4, W¹/₄N¹/₄ and Sec. 5 E¹/₂ NE¹/₄ thereof), Township 28 North, Range 51 East; Township 28 North, Range 52 East; Township 27 North, Range 51 East; Township 27 North, Range 52 East.

The above paragraph refers to only the following specifically described lands and oil and gas leases thereto:

Serial No. 049405, Effective date Nov. 1, 1958, Gross Acreage: 360, U.S. Government assignment affecting record title to oil and gas lease: T. 29 N. R. 52E: Sec. 8: W¹/₄; Sec. 10: SW¹/₄SE¹/₄.

Serial No. 049406, Effective date Nov. 1, 1958, T. 28N., R. 51E., MDB & M. Sec. 26, W¹/₄NW¹/₄, SE¹/₄NW¹/₄, NW¹/₄SW¹/₄, SE¹/₄SW¹/₄, NW¹/₄SE¹/₄, E¹/₂E¹/₂. Sec. 35, W¹/₄W¹/₄, SE¹/₄NW¹/₄, SE¹/₄SW¹/₄, NW¹/₄NE¹/₄, NW¹/₄SE¹/₄, E¹/₂E¹/₂.

SERIAL NO. 049407, Effective date Nov. 1, 1958, T. 27N., R. 51E., MDB & M. Sec. 4: S¹/₂NE¹/₄, S¹/₂SE¹/₄, NE¹/₄SE¹/₄, S¹/₂SW¹/₄. Sec. 10. NW¹/₄. T 28N., R 51 E., M D M. Sec. 33 All.

SERIAL NO. 049408, Effective date Nov. 1, 1958. T. 27 N., R. 51 E., M D B & M. Sec. 10 E¹/₂, SW¹/₄. Sec. 3 All. T. 28 N., R. 51 E., M D B & M. Sec. 34, W¹/₄W¹/₄NE¹/₄, NE¹/₄NE¹/₄, N¹/₂SE¹/₄, SE¹/₄SE¹/₄. Sec. 27, All. Sec. 22, S¹/₂NW¹/₄, N¹/₂SW¹/₄, SE¹/₄SE¹/₄.

SERIAL NO. 049409, Effective date Nov. 1, 1958. T. 27 N., R. 51 E., M D B & M. Sec 17, N¹/₂, SW¹/₄. Sec. 8, All, Sec. 5, All. T. 28 N., R 51 E., M D B & M. Sec. 32, All.

SERIAL NO. 049410, Effective date Nov. 1, 1958. T. 27 N., R. 51 E., M D B & M. Sec. 2: Lots 1,2,3,4, (N¹/₂N¹/₂), S¹/₂NW¹/₄, SW¹/₄NE¹/₄, S¹/₂. Sec. 9: N¹/₂.

SERIAL NO. 049411, Effective date Nov. 1, 1958. T 27 N., R. 51 E., M D B & M. Sec. 34, All. Sec 27, All. Sec. 15, N¹/₂, NE¹/₄SE¹/₄. Sec. 14, W¹/₄NW¹/₄. Sec. 13, W¹/₄SW¹/₄. Sec. 22, All.

SERIAL NO. 049413, Effective date Nov. 1, 1958. T 28 N., R 51 E. M.D.M. & M. Sec. 13: Lots 3 & 4 (E¹/₂SE¹/₄), W¹/₄SE¹/₄. T. 29 N., R 52 E., M.D.M. Sec. 28: S¹/₂, E¹/₂NE¹/₄. Sec. 32: E¹/₂, E¹/₂SW¹/₄, NW¹/₄SW¹/₄.

SERIAL NO. 049414, Effective date Nov. 1, 1958. T 28 N., R. 51 E. M.D.M. Sec. 13: E¹/₂SW¹/₄. Sec. 14: W¹/₄W¹/₄, E¹/₂SW¹/₄, SW¹/₄NW¹/₄, SE¹/₄NE¹/₄. Sec. 22: SE¹/₄NE¹/₄, E¹/₂SE¹/₄. Sec. 23: W¹/₄NW¹/₄, S¹/₂SW¹/₄, SE¹/₄SE¹/₄. Sec. 24: Lots 1,2,3,4, (E¹/₂E¹/₂), W¹/₄SE¹/₄, SW¹/₄NE¹/₄, N¹/₂NW¹/₄, SE¹/₄NW¹/₄. Sec. 25: Lots 1,2,3,4, (E¹/₂E¹/₂), W¹/₄NE¹/₄, NW¹/₄, NE¹/₄SW¹/₄, SW¹/₄SE¹/₄. T. 28 N., R. 52 E., M.D.M. Sec. 30: W¹/₄E¹/₂, NE¹/₄NE¹/₄, SE¹/₄SE¹/₄.

FRANK L. ASTA shall not interfere with, interrupts, hinder or attempt to negotiate or otherwise manage, control or operate any drillings, assignments, promotions, purchases, acquisitions, leases, subleases, developments or sales in regard to said area.

LEROY R. STIEBER shall assume and bear all expenses and obligations incurred or to be incurred in regard to the government lands.

FOURTH: Each party shall divide equally with the other party any and all profits realized from the above specifically described gas and oil leases and lands no matter how obtained. Both

parties shall give written notice of their activities and accountings as to their expenses, profits and losses to LOUIS C. MANETTI, 141 SOUTH BARRINGTON AVENUE, LOS ANGELES 49, CALIFORNIA, within thirty (30) days of incurring or realizing same.

FIFTH: In the event that NORMAN H. and JOYCE L. KAUSZ, reinvest in oil and gas leases or assignments thereto in any sum up to one thousand dollars (\$1000.00) in lands situated in said PINE VALLEY area it is understood that if either FRANK L. ASTA or LEROY R. STIEBER obtain any interest thereto that said oil and gas leases or assignments up to the value of one thousand dollars (\$1000.00) shall be deemed to have been acquired prior to the execution of this agreement and shall be subject to the terms of this agreement in regard to division of profits and as to the operation, control and management thereof. The operation, control and management shall be governed by the location of the land to which the oil and gas leases or assignments is situated as provided for in paragraph SECOND and/or THIRD hereof. It is understood that any investment by said NORMAN H. and JOYCE L. KAUSZ in excess of one thousand dollars (\$1000.00) shall be subject to paragraph FIRST hereof.

SIXTH: Both parties shall execute any and all instruments necessary to carrying out the intentions of the parties as hereinbefore stated and shall assist one another in any and all matters required by the other.

SEVENTH: It is understood that the provisions of Paragraph FOURTH shall apply to any and all profits acquired from the lands described in Paragraphs SECOND and THIRD hereof, whether obtained directly or indirectly. It is further understood that if either party fraudulantly assigns, sells or transfers any of said interests or assignments, sells and transfers any of the above said interests for an inadequate or unreasonable consideration with the intent to deprive the other party of his share of the profits that said other party is entitled to what would have been his share of the proceeds, and may seek his share from the assets of the party making such wrongful transfer.

EIGHTH: As a matter of courtesy only, both parties shall inform the other party of all future acquisitions, either by lease or by assignment in order to eliminate unnecessary expenses in double filings. It being understood that notification of said acquisitions shall in no way create or be evidence of any joint venture, co-partnership, tenancy in common or joint tenancy or constructive trust as to said acquisition.

It is further understood that all said future acquisitions, except as specified in Paragraph FIFTH hereto are the separate and distinct property of the party making said acquisition, no matter how acquired.

NINTH: LEROY R. STIEBER shall not interfere with, interrupt, hinder or attempt to negotiate or otherwise manage, control or operate any drillings, assignments, promotions, purchases, acquisitions, leases, subleases, developments or sales in regard to said area described in Paragraph SECOND hereof.

FRANK L. ASTA shall assume and bear all expenses and obligations incurred or to be incurred in regard to the fee lands described in Paragraph SECOND hereof including any expenses incurred because of that addendum executed and dated September 26, 1958, entitled Exhibit "A", to that oil and gas lease executed and dated September 25, 1958 by and between WILLIAM R. and ELLA M. RAND as lessors and FRANK L. ASTA and LEROY R. STIEBER as lessees; this shall include but not be limited to the instituting of any quiet title action as specified therein.

It is understood that the agreement to bear all expenses and obligations referred to above and in Paragraph 6, Page 2, wherein both parties agree to hold the other party free and clear from all expenses and obligations, does not include the necessary obligations, if incurred, to pay rent upon the fee lands described in Paragraph SECOND. It is further understood that rental on said fee lands shall commence as of September 25, 1959, October 1st, 1959 and January 1st, 1960, respectively, if drilling has not been commenced. In the event FRANK L. ASTA decides to pay the rental on said fee lands he shall give LEROY R. STIEBER thirty (30) days written notice of said intention. Said notice shall be sent to LEROY R. STIEBER care of LOUIS C. BENTON, 141 So. Barrington Avenue, Los Angeles 49, California. LEROY R. STIEBER shall then tender to said FRANK L. ASTA, one-half of the rental due.

In the event that LEROY R. STIEBER does not tender said sums of monies before the due dates of the leases, and FRANK L. ASTA pays the total rental thereon, that portion of Paragraph FIFTH herein, wherein FRANK L. ASTA shall divide equally with LEROY R. STIEBER the profits from said fee lands, shall be made null and void and all of said profits shall be the separate property of FRANK L. ASTA.

In the event that FRANK L. ASTA decides not to pay the rentals as aforesaid he shall give LEROY R. STIEBER thirty (30) days written notice before said rental dates are due, of his decision and whether or not drilling has commenced on any of the leased properties, in which event LEROY R. STIEBER shall have the option to pay or not pay said rentals when due. In this event, if LEROY R. STIEBER pays the rental on any of said leases when due, FRANK L. ASTA shall waive all rights and interests in the leases to said fee lands and the profits thereon, voiding those provisions relating hereto in Paragraphs SECOND, FOURTH, FIFTH and SEVENTH.

DATED: 3-12-59 Frank L. Asta
FRANK L. ASTA
DATED: 3-10-59 Leroy R. Stieber
LEROY R. STIEBER

Witnessed and Accepted; DATED: _____ :

Adalyn Schelbe
ADALYN SCHELBE
Elmer Menges Gail Menges
ELMER & GAIL MENGES, husband & wife
William & Ella Liss
WILLIAM & ELLA LISS, husband & wife
Norman H. & Joyce L. Krause
NORMAN H. & JOYCE L. KRAUSE, husband & wife

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)

On this 9th day of March, 1959, before me, the undersigned, a Notary Public in and for said County and State, residing therein, duly commissioned and sworn, personally appeared, LEROY R. STIEBER and FRANK L. ASTA, known to me to be the persons whose names are subscribed to the within instrument consisting of six (6) pages, including the page signed by said parties hereto, and acknowledged to me that they executed the same.

Appearing also before me were ADALYN SCHELBE, ELMER and GAIL MENGES, WILLIAM and ELLA LISS and NORMAN H. and JOYCE L. KRAUSE, who witnessed and accepted and signed said NOTICES & AGREEMENT.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Lois C. Marshall
Notary Public in and for the County
of Los Angeles, State of California

Recorded at the Request of LeRoy R. Stieber, April 16, A. D. 1959 at 32 minutes past 2 P. M.

Willis A. DePaoli - Recorder