

File No. 38338

## RICHFIELD OIL CORPORATION

Richfield Building . . . Los Angeles 17 . California

April 26, 1963

## CERTIFIED MAIL

Laurence R. Phillips and  
Hazel A. Phillips  
632 West Hermosa Drive  
San Gabriel, California

Re: Exercise of Option to  
Acquire Operating Agreement

Dear Sir and Madam:

Reference is made to that certain Agreement dated May 6, 1960, hereinafter referred to as "said agreement", wherein Laurence R. Phillips and Hazel A. Phillips, his wife, are "First Party", and RICHFIELD OIL CORPORATION, a Delaware corporation, is "Second Party", concerning certain lands situated in Eureka County, Nevada, covered by United States Oil and Gas Lease Serial Number Nevada 019274, hereinafter referred to as "said lease", which lands are described in said lease and said agreement, reference to said instruments being hereby made for further particulars.

Said agreement is paragraph 3 thereof provides as follows:

"3. First Party does hereby give and grant unto Second Part, his successors and assigns, the further sole and exclusive right, privilege and option of purchasing and acquiring the sole and exclusive right of possession of said lands, or any part thereof, together with the full right and lawful authority to enter thereon for the purpose of exploring, drilling, mining, developing and operating said lands for oil and gas purposes, and producing, treating, handling and marketing all and any such minerals produced therefrom from the date of exercise of said option and thereafter for the full term of said lease, in so far as it covers said lands".

Said agreement in paragraph 4 thereof provides in part as follows:

"4. Upon the exercise of the option contained in paragraph 3 hereof, this agreement shall be considered and construed, as, and shall automatically become, an operating agreement between First Party and Second Party:\*\*\*\*. Any such operating agreement shall transfer and convey from First Party to Second Party, and First Party upon the exercise by Second Party of the option contained in paragraph 3 hereof, and upon the issuance of said lease, does hereby transfer and convey unto Second Party all of the rights, privileges, benefits, interests and possession specifically set forth under paragraph 3 hereof in and to that portion of said lands as to which such option is exercised".

YOU ARE HEREBY NOTIFIED that Richfield Oil Corporation intends to and does hereby exercise that option contained in paragraph 3 of said agreement as to all of the lands hereinabove referred to located in Eureka County, Nevada, described as follows:

T. 22 N., R. 54 E., M.D.M., Nevada

Sec. 15: All

containing 640.00 acres, more or less, and YOU ARE HEREBY FURTHER NOTIFIED that Richfield Oil Corporation intends to acquire and by this notice of exercise of option does acquire an operating agreement covering said lease. Said agreement upon this exercise of option has automatically become an operating agreement between you and Richfield Oil Corporation.

Richfield Oil Corporation herewith hands you its check number 94882 in the sum of Sixty-Four and no/100 Dollars (\$64.00) due you pursuant to paragraph 5 of said agreement upon this exercise of option.

Very truly yours,

RICHFIELD OIL CORPORATION

By J. C. Austin  
Its Attorney in Fact

By \_\_\_\_\_  
Assistant Secretary

STATE OF CALIFORNIA     )  
                                  ) ss  
COUNTY OF LOS ANGELES   )

On this 26th day of April, in the year 1963, before me, Sue M. Mason, a Notary Public in and for said County and State, residing therein, duly commissioned, and sworn, personally appeared J. C. AUSTIN, known to me to be the person whose name is subscribed to the within instrument as the Attorney-in-Fact of RICHFIELD OIL CORPORATION, and acknowledged to me that he subscribed the name of RICHFIELD OIL CORPORATION thereto as principal and his own name as Attorney-in-Fact.

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

(NOTARIAL SEAL)

Sue M. Mason  
Notary Public in and for said County  
and State                      Sue M. Mason

Recorded at the request of Richfield Oil Corporation June 10, A.D., 1963 At 36 minutes past 3 P. M.

Willis A. DePaoli- Recorder.