

AGREEMENT

THIS AGREEMENT entered into this 7th day of October, 1966, by and between JAMES S. PAYNE, OLIVE A. PAYNE, and the FAMILY HOLDING COMPANY, JAMES S. PAYNE, TRUSTEE, hereinafter known as First Parties, and LES FERREL, 1355 Tenth Street, Sparks, Nevada, and NEVADA WESTERN MINES, INC., hereinafter known as Second Parties,

W I T N E S S E T H:

WHEREAS, First Parties are the Lessors under that certain Lease dated April 22, 1966, and recorded, File #42119, Book 10, Pages 590-596 Eureka County records, wherein in said Lease First Parties leased to LES FERREL the following described mining properties, located in Beowawe Mining District in Eureka County, Nevada, formerly known as and called the Peterson Sulphur Claims, and known also as Payne Family Holding Company Sulphur Claims Numbered One, Two, Three, Four and Five, the said Lease having been cancelled by the parties thereto in consideration of the issuance of the following described Lease; and

WHEREAS, First Parties are also the Lessors under that certain Lease dated July 25, 1966, wherein First Parties leased to Nevada Western Mines, Inc., the above described mining properties; said Lease dated July 25, 1966, being issued after the cancellation of and in the place of the Lease of April 22, 1966; and

WHEREAS, First Parties have also leased the above described properties to Nation-Wide Oil Co., a Nevada Corporation; and it is the intention and purpose of the parties hereto to clear up the conflicting interests set up by the above described leases and to secure in and to the said Nation-Wide Oil Co. the rights and title granted to it in the said Lease dated September 27, 1966, and clear of any and all claims therein by Second Parties or either of them.

1 NOW, THEREFORE, in consideration of the mutual promises
2 and agreements of the parties herein, each to the other, it is
3 mutually agreed as follows:

4 1. Second Parties agree to and hereby do release, cancel
5 and waive any and all claims they or either of them have in and
6 to the above described properties; and

7 2. Les Ferrel, individually, does hereby release and
8 cancel and agrees to the cancellation of the above described Lease
9 dated April 22, 1966, and that the said Lease have no effect nor
10 validity; and

11 3. Nevada Western Mines, Inc., does hereby release and
12 cancel and agrees to the cancellation of the above described Lease
13 dated July 25, 1966, and that the said Lease is of no binding
14 effect nor validity.

15 4. Second Parties, together and individually, assign and
16 release to said Nation-Wide Oil Co. any and all rights remaining
17 to them, in and to the above described properties, if any there
18 be.

19 5. In consideration of the above, First Parties, and each
20 of them, do hereby assign to Nevada Western Mines, Inc., one-half
21 ($\frac{1}{2}$) of the monies to be paid to First Parties under said Lease
22 with Nation-Wide Oil Co. dated September 27, 1966, as follows: One-
23 half ($\frac{1}{2}$) of the royalty provided in Paragraph 8 of said Lease; and
24 if Nation-Wide Oil Co. exercise the option set forth in said Lease
25 then one-half ($\frac{1}{2}$) of all monies paid to First Parties or to which
26 First Parties become entitled pursuant to the exercise of said
27 option.

28 6. Both parties hereby agree and Nation-Wide Oil Co. by
29 adding its signature hereto, also agrees that the said Lease
30 dated September 27, 1966, in Paragraph 8, shall be amended to
31 provide that the royalty therein set forth to be paid shall be
32 TEN PERCENT (10%) of the net returns, or ONE DOLLAR (\$1.00) per

1 ton, whichever shall be greater, on all ores, metals, minerals,
2 and other products.

3 IN WITNESS WHEREOF, the said parties have hereunto set
4 their hands and seals the day and year in this Agreement first
5 above written.

6
7 James S. Payne
8 JAMES S. PAYNE

9 Olive A. Payne
10 OLIVE A. PAYNE

11 FAMILY HOLDING COMPANY

12 By James S. Payne
13 JAMES S. PAYNE, Trustee
14 First Parties

15 Les Ferrel
16 LES FERREL

17 NEVADA WESTERN MINES, INC.,

18 By Ben F. Gassaway
19 BEN F. GASSAWAY, President



20 By Les Ferrel
21 LES FERREL, Secretary

22 Agreed: As to contents of Paragraph 6 above set forth.

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28 NATION-WIDE OIL CO.,
29 By Howard Lang
30 HOWARD LANG, President

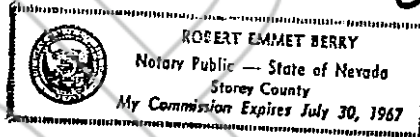


1 STATE OF NEVADA)
 2 COUNTY OF WASHOE) ss.

3 On this 7th day of October 1966, personally appeared
 4 before me, the undersigned, a Notary Public in and for the County
 5 of Storey, State of Nevada, JAMES S. PAYNE, OLIVE A. PAYNE, and
 6 LES FERREL, known to me to be the persons described in and whose
 7 names are subscribed to the foregoing instrument, who acknowledged
 8 to me that they executed the same freely and voluntarily and for
 9 the uses and purposes therein mentioned.

10 IN WITNESS WHEREOF, I have hereunto set my hand and
 11 affixed my official seal at my office in the County of Washoe,
 12 State of Nevada, the day and year in this Certificate first above
 13 written.

14 *Robert Emmet Berry*
 15 ROBERT EMMET BERRY
 Notary Public




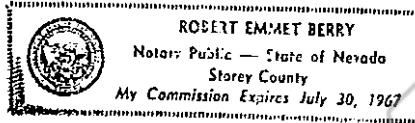
19 STATE OF NEVADA)
 20 COUNTY OF WASHOE) ss.

21 On this 7th day of October 1966, personally appeared
 22 before me, the undersigned, a Notary Public in and for the County
 23 of Storey, State of Nevada, JAMES S. PAYNE, known to me to be the
 24 Trustee of the FAMILY HOLDING COMPANY that executed the foregoing
 25 instrument; who upon oath did depose that he is the Trustee of
 26 said company as above designated; that the signature to said
 27 instrument was made by the officer of said company as indicated
 28 under said signature; and that the said company executed the said
 29 instrument freely and voluntarily and for the uses and purposes
 30 therein mentioned.

31 IN WITNESS WHEREOF, I have hereunto set my hand and
 32 affixed my official seal at my office in the County of Washoe,

1 State of Nevada, the day and year in this Certificate first above
2 written.

3 
4 ROBERT EMMET BERRY
Notary Public

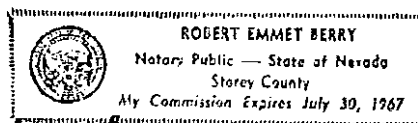


6 STATE OF NEVADA)
7) ss
8 COUNTY OF WASHOE)

9 On this 7th day of October 1966, personally appeared
10 before me, the undersigned, a Notary Public in and for the County
11 of Storey, State of Nevada, BEN F. GASSAWAY, known to me to be
12 the President, and LES FERREL, known to me to be the Secretary,
13 respectively, of the corporation that executed the foregoing
14 instrument; who upon oath did depose that they are the officers of
15 said corporation as above designated; that they are acquainted
16 with the seal of said corporation and that the seal affixed to
17 said instrument is the corporate seal of said corporation; that
18 the signatures to said instrument were made by officers of said
19 corporation as indicated under said signatures; and that the said
20 corporation executed the said instrument freely and voluntarily
21 and for the uses and purposes therein mentioned.

22 IN WITNESS WHEREOF, I have hereunto set my hand and
23 affixed my official seal at my office in the County of Washoe,
24 State of Nevada, the day and year in this Certificate first above
25 written.
26

27 
28 ROBERT EMMET BERRY
29 Notary Public

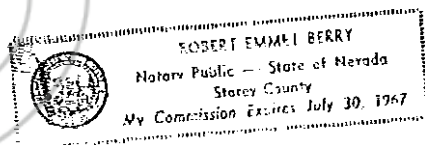


1 STATE OF NEVADA)
 2) ss.
 3 COUNTY OF WASHOE)

4 On this 7th day of October 1966, personally appeared
 5 before me, the undersigned, a Notary Public in and for the County
 6 of Storey, State of Nevada, HAROLD LANG, known to me to be the
 7 President of NATION-WIDE OIL CO., the corporation that executed
 8 the foregoing instrument; who upon oath did depose that he is the
 9 officer of said corporation as above designated; that he is
 10 acquainted with the seal of said corporation and that the seal
 11 affixed to said instrument is the corporate seal of said
 12 corporation; that the signature to said instrument was made by
 13 the officer of said corporation as indicated under said signature,
 14 and that the said corporation executed the said instrument freely
 15 and voluntarily and for the uses and purposes therein mentioned.

16 IN WITNESS WHEREOF, I have hereunto set my hand and
 17 affixed my official seal at my office in the County of Washoe
 18 State of Nevada, the day and year in this Certificate first above
 19 written.

20 
 21 ROBERT EMMET BERRY
 22 Notary Public



24 42509

25 File No. _____

26 RECORDED AT THE REQUEST OF
 27 Robert E. Berry

28 October 14 A. D. 19 66

29 at 35 minutes past 3 P. M.

30 in Book 12 of OFFICIAL RECORDS

31 Page 366-371 Records of

32 EUREKA COUNTY, NEVADA


 Recorder

Fee \$6.35

- 6 -