

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. Cassaway
19 BEN F. CASSAWAY, President

20 By Les Ferrel
21 LES FERREL, Secretary

22
23
24
25
26 Agreed: As to contents of Paragraph 6 above set forth.

27
28 NATION-WIDE OIL CO.

29 By Howard Lang
30 HOWARD LANG, President

31 We hereby cancel the above lease agreement and release all
32 claims under said agreement.

NATION-WIDE OIL CO.

BENJAMIN F. SLATER III

SEAL
Affixed

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.

BOOK 14 PAGE 112
Affixed

On November 15th 1966 before me the undersigned, a
Notary Public in and for said State, personally appeared
Howard Lang, known to me to be the President of Nation-wide Oil
Co., a 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.

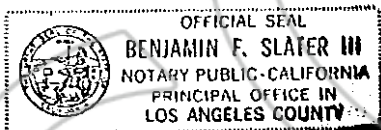
WITNESS my hand and official seal

Signature

Benjamin F. Slater III
Benjamin F. Slater III

Notary Public in and for said County and State

File No. **43425**
RECORDED AT THE REQUEST OF
Howard E. Harris
December 19 A.D. 1966
at 05 minutes past 4 P. M.
in Book 14 of OFFICIAL RECORDS
Page 109-112 Records of
EUREKA COUNTY, NEVADA
Recorder Willis A. Slater
Fee \$3.85



BENJAMIN F. SLATER III
My Commission Expires Mar. 29, 1969