

AFFIDAVIT OF SERVICE BY MAIL

STATE OF NEVADA,)
) SS.
 COUNTY OF ELKO.)

KENNETH L. MANN, being first duly sworn, deposes and says:

That he is a citizen of the United States, over the age of majority, a resident of Elko County, Nevada; that affiant served two separate copies of the annexed Notice of Default, declaring in default that certain Oil and Gas Mining Lease from STEPHEN DAMELE & SONS to GEORGE S. REED and AMY E. REED, his wife, by placing signed copies of such Notice in envelopes addressed as follows:

GEORGE S. REED and AMY E. REED, his wife
 1010 Winchester Avenue
 Alhambra, California 91803

GEORGE S. REED and AMY E. REED, his wife
 810 Mill Street
 Reno, Nevada 89502

That all of said envelopes were sealed and the postage was fully prepaid thereon, and thereafter said envelopes were deposited in the United States Post Office at Elko, Nevada, on May 26th, 1967, by certified mail and addressed as aforesaid. That there is delivery service by United States Mail between the place of mailing and the place so addressed.

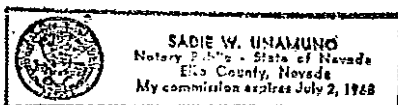
Kenneth L. Mann

 KENNETH L. MANN

Subscribed and sworn to before me
 this 26th day of May, 1967.

Sadie W. Unamuno

 NOTARY PUBLIC



NOTICE OF DEFAULT

To: **GEORGE S. REED and AMY E. REED, his wife,**
1010 Winchester Avenue
Alhambra, California 91803

NOTICE IS HEREBY GIVEN, that that certain Oil and Gas Mining Lease from CHARLES DAMELE, LEO J. DAMELE and JOHN V. DAMELE, a copartnership doing business under the name of STEPHEN DAMELE & SONS, to GEORGE S. REED and AMY E. REED, his wife, as Lessees, dated November 1st, 1965, is now in default in the following particulars:

1. That you have failed to comply with the terms and provisions of said Lease, requiring you to commence an oil well drilling operation upon the property described in said Lease on or before the expiration of six (6) months after November 1st, 1965, and that you have failed to conduct continuous well drilling operations thereon as required in said Lease. No well has been commenced or drilled on said property and no oil, gas, casing-head gas or gasoline has been discovered from said lands.

2. That you have failed to test the existing oil well on said premises, and have failed to use reasonable or any diligence, or any effort whatsoever, to conduct such testing, within a period of six (6) months after November 1st, 1965, and that failure to conduct any testing operations whatsoever have placed said Lease in default.

YOU ARE FURTHER NOTIFIED, that said Lease provides that in the event of a default, which is not cured within a period of thirty (30) days after notice, that said Lease shall be forfeited and automatically terminated without any further proceedings, and that the Lessors may then re-enter and take possession of said premises without any further action, and that unless each and all of the above specified defaults are remedied completely within

said thirty day period, that the Lessors intend to re-enter and take possession of said premises, subject to your right to remove any equipment or property within the time permitted in said Oil and Gas Mining Lease.

The property described in said Oil and Gas Mining Lease is all of that property situate in the County of Eureka, State of Nevada, and more particularly described as follows:

In T. 26 N., R. 50 E., M.D.R. & M.

Section 1: SE1/4; E1/4;
12: E1/4; NE1/4;
24: E1/4

In T. 26 N., R. 51 E., M.D.R. & M.

Section 6: Lots 3, 4, 5, 6 and 7; SE1/4; E1/4;
7: Lots 1, 2, 3 and 4
18: Lots 1, 2, 3 and 4
19: Lots 1, 2, 3 and 4
30: Lots 1, 2, 3 and 4; E1/4;
31: NW1/4; E1/4

In T. 27 N., R. 51 E., M.D.R. & M.

Section 30: S1/4; N1/4; E1/4; Lot 4
31: Lot 1

SUBJECT to all restrictions, easements and limitations set forth in said original Oil and Gas Mining Lease.

DATED: May 26th, 1967.

STEPHEN DAMELE & SONS

By Charles Damele
GENERAL PARTNER of STEPHEN DAMELE & SONS

STATE OF NEVADA, }
COUNTY OF ELKO. } SS.

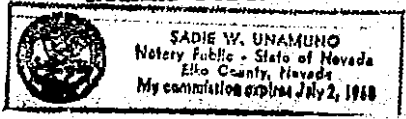
CHARLES DAMELE, being first duly sworn, deposes and says:

That he is a general partner in the partnership of STEPHEN DAMELE & SONS, and that he makes this verification for and on behalf of said partnership and the partners thereof; that he has read the foregoing Notice of Default and knows the contents thereof, and that the same is true of his own knowledge, save and except as to those matters therein stated on information and belief, and that as to such matters he believes it to be true.

Subscribed and sworn to before me this 26th day of May, 1967.

Sadie W. Unamuno
NOTARY PUBLIC

MANN AND SCOTT
LAWYERS
575 COURT STREET
ELKO, NEVADA 89801



RECORDED AT THE REQUEST OF
Kenneth L. Mann
on December 19 19 67
at 04 mins. past 11 A. M.
in Book 21 of OFFICIAL
RECORDS, page 439-441 RECORDS
OF EUREKA COUNTY, NEVADA
Recorder [Signature]
File No. 45764 Fee \$ 5.00