

NOTICE OF NON-RESPONSIBILITY

Notice is hereby given to all persons that we, CHARLES DAMELE, LEO J. DAMELE and JOHN V. DAMELE, a co-partnership doing business under the name of STEPHEN DAMELE & SONS, are the owners of the property located in the County of Eureka, State of Nevada, known and described as follows:

See Exhibit A attached hereto and incorporated herein by reference.

Said property is presently being leased and operated by MODOC MINERAL AND OIL CO., INC., a Nevada Corporation, for the purpose of Oil and Gas development pursuant to a lease, the parties thereto being, CHARLES DAMELE, LEO J. DAMELE and JOHN V. DAMELE, a co-partnership doing business under the name of STEPHEN DAMELE & SONS, Lessors; and MODOC MINERAL AND OIL CO., INC., a Nevada Corporation, Lessee, said Lease is now in force and effect and will so continue until and including the 8th day of December, 1970, and as long thereafter as any of the products covered therein are produced from said land by Lessee.

The undersigned is not operating or working upon the above mentioned premises, nor any part thereof, in such development and does not intend to operate said premises or any part thereof in such development, nor to purchase any supplied whatever during the life of said Lease; that by reason of said circumstances above mentioned, said undersigned disclaims any responsibility for supplies, materials or labor furnished for

or upon the above mentioned premises.

Charles Damele
CHARLES DAMELE

Leo J. Damele
LEO J. DAMELE

John V. Damele
JOHN V. DAMELE

STATE OF NEVADA,)
COUNTY OF EUREKA) SS

On August 23, 1968, personally appeared before me,
a Notary Public, CHARLES DAMELE, LEO J. DAMELE and JOHN V.
DAMELE, who acknowledged to me that they executed the foregoing
instrument.

Willis A. DePaoli
NOTARY PUBLIC

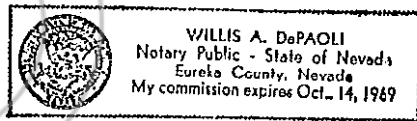


EXHIBIT "A"PARCEL IIn T. 23 $\frac{1}{2}$ N., R. 49 E., M.D.B. & M.Section 1: NW $\frac{1}{4}$ NW $\frac{1}{4}$ (Lot 3)In T. 24 N., R. 49 E., M.D.B. & M.

Section 9: NE $\frac{1}{4}$ NW $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$
 10: SE $\frac{1}{4}$ SW $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
 12: SW $\frac{1}{4}$ SE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
 13: NE $\frac{1}{4}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$
 14: SE $\frac{1}{4}$ SE $\frac{1}{4}$
 15: NE $\frac{1}{4}$ NW $\frac{1}{4}$
 23: NE $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$
 26: W $\frac{1}{2}$ E $\frac{1}{2}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$
 35: E $\frac{1}{2}$ W $\frac{1}{2}$

In T. 24 N., R. 50 E., M.D.B. & M.

Section 2: Lot 3; SE $\frac{1}{4}$ NW $\frac{1}{4}$
 7: Lot 2
 20: W $\frac{1}{2}$ SW $\frac{1}{4}$
 30: NE $\frac{1}{4}$ N $\frac{1}{2}$

In T. 25 N., R. 50 E., M.D.B. & M.

Section 24: SE $\frac{1}{4}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$
 25: S $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$
 28: W $\frac{1}{2}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$
 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$; SW $\frac{1}{4}$ SE $\frac{1}{4}$
 33: NW $\frac{1}{4}$ NW $\frac{1}{4}$
 35: E $\frac{1}{4}$ NE $\frac{1}{4}$; SW $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; SE $\frac{1}{4}$
 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$; NW $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$

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

Section 1: SE $\frac{1}{4}$ NE $\frac{1}{4}$; W $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$
 11: NE $\frac{1}{4}$ NE $\frac{1}{4}$
 12: E $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$
 24: E $\frac{1}{4}$ SE $\frac{1}{4}$

In T. 25 N., R. 51 E., M.D.B. & M.

Section 6: Lots 3, 4, 5, 6, & 7; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$
 7: E $\frac{1}{2}$ NW $\frac{1}{4}$
 19: SE $\frac{1}{4}$ SW $\frac{1}{4}$
 30: NW $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; Lots 2 and 3

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

Section 6: Lots 3, 4, 5, 6, & 7; SE $\frac{1}{4}$ NW $\frac{1}{4}$; E $\frac{1}{2}$ SW $\frac{1}{4}$
 7: Lots 1, 2, 3 & 4
 18: Lots 1, 2, 3 & 4
 19: Lots 1, 2, 3 & 4
 30: Lots 1, 2, 3 & 4; E $\frac{1}{2}$ SW $\frac{1}{4}$
 31: NW $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ W $\frac{1}{2}$; Lot 4; SW $\frac{1}{4}$ SE $\frac{1}{4}$

EXHIBIT "A" - continuedIn T. 27 N., R. 51 E., M.D.B. & M.

Section 30: S $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SW $\frac{1}{4}$; S $\frac{1}{2}$ SW $\frac{1}{4}$; N $\frac{1}{2}$ SE $\frac{1}{4}$
 31: NW $\frac{1}{4}$ NW $\frac{1}{4}$

PARCEL IIIn T. 24 N., R. 50 E., M.D.B. & M.

Section 14: SW $\frac{1}{4}$ NE $\frac{1}{4}$; SE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$; W $\frac{1}{2}$ SE $\frac{1}{4}$
 22: NE $\frac{1}{4}$
 23: NW $\frac{1}{4}$

PARCEL IIIIn T. 28 N., R. 50 E., M.D.B. & M.

Section 24: SE $\frac{1}{4}$ SW $\frac{1}{4}$
 25: NW $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NW $\frac{1}{4}$

In T. 28 N., R. 51 E., M.D.B. & M.

Section 3: All
 15: All
 18: NE $\frac{1}{4}$
 21: SW $\frac{1}{4}$ NE $\frac{1}{4}$; E $\frac{1}{2}$ NW $\frac{1}{4}$; NW $\frac{1}{4}$ NW $\frac{1}{4}$

In T. 29 N., R. 51 E., M.D.B. & M.

Section 33: All

TOGETHER with the sole and exclusive right of prospecting for, mining and producing oil and gas, casinghead gas and gasoline, laying pipeline, building tanks, storing oil, building power stations, telephone lines and other structures thereon to produce, save, take care of and market all of the substances as is economically necessary for the production thereof, all in accordance with the best methods of producing such oil and gas. Lessee shall have the right to erect housing and buildings for its employees, with right for such purposes to the free use of oil, gas or water from said lands, subject to those provisions hereinafter contained. It shall be the purpose of the parties hereto to demise and let to the Lessee the mineral rights to all oil, gas, casinghead gas or gasoline in connection with the above property, and the rights to such of the surface as is necessary to carry out the production and marketing thereof. The Lessors shall otherwise retain the right to the free use of said property.

EXCEPTING, HOWEVER, from said lease, all meadow lands included within the above described property

EXHIBIT "A" - continued

that are now used by the Lessors in cutting, harvesting and storing hay or other forage crops. This exception extends to the use of such property by the Lessee for the purpose of drilling oil wells thereon, and does not authorize the Lessors to lease such property for the purposes set forth hereinabove in the immediately preceding paragraph, to any other person, persons or corporations.

It is understood and agreed that in the event that the Lessee discovers oil, gas, casinghead gas, or gasoline or other petroleum products, on the above-described property in marketable quantities, that subsequent wells may be drilled on meadow lands where necessary to drain oil or gas reservoirs or to produce such minerals, subject to the provisions set forth in the lease regarding payment to the Lessors for all interference or damage to their hay, forage crops and ranching operations.

RECORDED AT THE REQUEST OF John Damele
on AUG. 23 1968, at 10 mins. past 10 A. M. in
Book 25 of OFFICIAL RECORDS, page 418-422 RECORDS OF
EUREKA COUNTY, NEVADA Willie C. All Paul Recorder.
File No. 47635 Fee \$ 7.00