Form 88—(Producers) Kan., Okla. & Colo.1963 Rev. (JW) B w OIL AND GAS LEASE THIS AGREEMENT made and entered into this 31st Gay et January 19 79
THIS AGREEMENT made and entered into this JISU day of Children's Agreement made and wife, and Standard Wife,
Bernard G. Damele, a single man, Eureka, Nevada 89310
one or more), and Transcontinent Oil Company, Denver, Colorado, 80293 WITHESSETH: That the lessor, for and in consideration of. Ten and More********** Dollar is 10.00 &more in hand paid, the receipt and utilicities of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the least lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the least lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the least lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the least lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the least lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the less had lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the less had lesser, excitaively, its successors of the coverants and apprendict hereinsteen contained, does hereby grant, demiss, lease and let unto the less had lesser.
That the lessor, for and in consideration of the covenants and agreements hereinafter contained, does hereby grant, demise, lease and lets unto the said lessee, exclusively, its soccessors and assigns, the following described land for the purpose of carrying on geological, seophysical and other experatory work, including core drilling, and the drilling, mining, operating for producing and saving of oil, gas, gas condensate, gas distillate, casinghead gas, classinghead and other experatory work, including core drilling, and the drilling, mining, operating for methods of the saving of oil, gas, gas condensate, gas distillate, casinghead gas, classinghead gas, classing ages and their constituent parts, and other minerals produced in connection with oil and gas operations hereunder, or as a by-product of oil and gas, and, the exclusive right of injecting water, brine and other fluids and substances into the subsurface strate, with rights of way and easements for laying pipe lines, telephone and telepraph lines, tanks, power houses, stations, poons, readways and other fitures or structures for producting, arided to or commented in the economical or efficient operation, along or conjugation of said products or substances and the exerction of structures there are of said products and substances and the injection of water, brine and other substances into, the subsurface strate of said fract of land depositor with any reversionary rights therein, said tract of land being situated in the County of NOTH Range 49 East M.D.B.&M. Township 19 North Range 49 East M.D.B.&M.
Township 19 North Range 49 East M.D.B.&M. Section 4, W2SW2; NE1/SW2; S2NW2; SW2/NE2
Section 5, NE4/SE4; SE4/NE4
of Section 485 Township 19 North Range 49 East Idjacent or continuous thereto and owned or claimed by the lessor, which land shall, for the purpose of calculating the amount of any money payment permitted or required by the terms of this lesse, be considered as containing exactly. 320 acres, whether there is more or less. Ten Years
TO HAVE AND 10 HOLD the same subject to the other ppp-shoes herein contained) for a term of the same subject to the other ppp-shoes herein contained) for a term of the same subject to the difference of the same subject to the difference of the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein subject to the same subject to the other ppp-shoes herein contained) for a term of the same subject to the other ppp-shoes herein contained for a term of the same subject to the other ppp-shoes herein contained for a term of the same subject to the other ppp-shoes herein contained for a term of the same subject to the other ppp-shoes herein contained for a term of the same subject to the other pp-shoes herein contained for a term of the same subject to the same sub
In consideration of the premises, it is hereby mutually agreed as follows: 1. To deliver, free of cost, to the lessor at the well or to the credit of lessor into the pipe line to which lessee may connect its well, an equal one-eighth (Vath) part of all oil produced and saved from the lesse premises or at the lessee's option to pay to the lessor for such one-eighth (Vath) the market price at the wellhead for oil of a like grade and gravity revailing on the day such oil is run into the pipe line or storage tanks. 2. On gas, pas condentate, gas distillate, casinghead gas and all other gases, including their constituent parts, produced from said land and sold or used oil the lease premises or in
2. On pay, pay condensate, pay distillate, cashinghead gas and all other pastes, including their constituent parts, produced from said land and sold or used off the lease premises or in the manufacture of gasoline or other products, leases thatill pay to lessor a sum requal to one-eighth (With) of the pross proceeds received from the said of such productor substances where he same is sold at the mouth of the well or, if not sold at the mouth of the well, then one-eighth (With) of the mark, value thereof at the mouth of the well, but in no event more han one-eighth (With) of the actual amount received by leases for the sale thereof. 3. If gas from any well or wells on the premises capable of producing gas in commercial quantities is not sold or used off the premises on in the manufacture of gasoline for a seriod of one (11) year or more during which time there is no other production from the lease promises, then lesses shall become obligated to pay as regulty for such annual period.
I sum equal to the otaly rentals provided in paragraph number o nered, whether during or after the primary term. In consideration of the obligation so to pay, it shall within the meaning if all the terms of this lease, including the habendum clause, be conclusively determed that gas is being produced from the premiers during the time such gas is not sold or used. 4. On all other minerals produced and marketed, lessee shall pay one-eighth (Vath) of the current market price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual market price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual market price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual market price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, but in no event more than one-eighth (Vath) of the actual price at the mouth of the well, and the actual price at the mouth of the well, and the actual price at the mouth of the well, and the actual price at the mouth of the well, and the actual price at the mouth of the well, and the actual price at the mouth of the well, and the actual price at th
5. If any gas well on the lesse permises produces dry gas in excess of that pixed for operations bersunder, lessor shall have the privilege, at his sole risk, cost and excesse, of saving such surplus gas for storest and inside lights in the principal develops of called upon the historial products. Notwithstanding any of the provisions aforesaid, lessee shall have free use of oil, distillate, condensate, gas, casinghead gas, casinghead gasoline and all other petroleum products, water and other minerals and materials from the lease premises, except water from setsors wells and tanks, for all operations hereunder. 6. If operations for the drilling of a well for oil or gas are not commenced on the lease premises on or before one (1) year from the date hereof, then this lease, except as other-
rise provided, shall terminate as to both parties unless the lesser, on or before that date, shall pay or tender to lessor or to lessor's credit in the First National Bank at ELY Nevada (or to any bank designated in writing by lessor whether or not such written designation is recorded), or its successor or successors, which bank and its successors are lessor's agents and shall continue as the depository bank regardless of changes in the compension of said land or the right to receive rentals, the sum of -Three
Hundred Twenty & No./100 Dollars its 320.00. The persistence of the design of the
where a part or portion of this lease is released as to all normons, then rentals thereafter payable hereunder may be reduced in the proportion that the acreage covered by this lease is reduced by said release or releases. Payment or tender of rental may be made by draft or check of the lesser, transmitted, delivered or mailed to the authorized depository bank or to the lesser statis last known address (as shown by lessee's records) on or before the rental date, and the payment or tender shall be deemed to have been made when the check or draft is a transmitted delivered or mailed.
The suprestly agreed that it lessee shall commence operations for the drilling of a well at any time while its leave is in force, this lease shall remain in force and its term hall continue for so long as such operations are prosecuted and, if production results therefrom the no long as such production, may continue. Should the first well drilled on the above secribed land be a dry hole or fall to establish production, then and in that event if a special results are remained on said land within twelve (12) months following the expiration of the last rental period for which rental has been paid (or within thele (12) months from the first anniversary of this lease is such well is drilled during the first year of the primary term), this lease shall terminate as to both parties unless the lessee on on before the expiration of said twelve (12) months shall resume or commence the payment of rentals in the same major, as hereinabove provided. It, within the primary term of this lease, production on the lease premises shall case from any case (other than a cessation
contemplated in paragraph 3), this lease shall not terminate provided operations for the drilling one reworking of a well shall be commenced before or on the next ensuing rental paying date alling more than ninety (90) days after such exestation, or, provided lessee begins or resumes the payingent of rentals in the mainter and amount higherinhelene provided. If, after the expiration of the primary term of this lease, production on the lease premises shall cease from any cause other than a cessation contemplated in paragraph 3), this lease shall not terminate provided lessee stumes or commences operations for the drilling or reworking of a well within ninety 1901 days from the date of such cessation, and this lease shall remain in force and effect during the resecution of such operations, and if production results therefrom, then as long as such production continues or the well or wells are capable of producing.
B. Where required by lessor, lessee shall bury all pipe lines below ordinary plow depth in cultivated land. Lessee shall pay lessor for damages caused by lessee's operations to all cultivated crops prowing on said land. Lessee shall have the right, but shall not be obligated, at any lume, either before or after expression of this lease, to remove all fatures and steher property placed by lessee on the lease premises, including the right to draw and remote all casing. Any structures and facilities placed on the lease premises drilled or used for the injection of salt water or other fluids may also be used for lessee's operation on other lands in the same area; the right to so use such facilities may be continued beyond the term of this lease by payment in advance of the sum of One Hundred Dollars (\$100.00) per year. No well hall be drilled nearer than 200 feet to any house or barn now on the premises without the continued lesson.
9. Lease is granted the right, from time to time while this lease is in force, to pool into a separate locorating unit or units all or any part of the land covered by this lease with other land, lease or leases, or interest therein whether such other interests are pooled by a ujuntary agreement on the part of the owners thereof or by the exercise of a right to pool by the lessees thereofly, when in lessee's judgment it is necessary or advisable in order to promote contenuation, to properly develop or operate the land and interests to be pooled, or to obtain a multiple production allowable from any operamental agency having control over all, pooling hereunder may cover all oil and gas, or any one or more of the substances covered by tills lease, and may cover one or more or all zones or formations underlying all or any pyrtion or portions of the lease premises. Any unit formed by such pooling the public of a dusting or conferning tracts and shall not exceed 640 acres for gas, gas distillate or gas condensate; and shall not exceed 500 acres for gas, gas distillate or gas condensate and shall not exceed 500 acres for gas, gas distillate or gas condensate and shall not exceed 500 acres for gas, gas distillate or gas condensates.
raise; provided that if any governmental regulation or order shall prescribe a spacing pattern for the development of a field wherein the above described land, or a portion thereof, is occated, or allocate a producing allowable bailed on acreage per well, then any such unit may embraic as much allocational acreage as may be be so prescribed or as may be permitted in such allocation of allowable. The area pooled land the zones or formations and substances pooled shall be set fepth by lessee in a "declaration of pooling" filled for record in the county or counties in which the pooled larae is located. Such pooling shall be effective on the date such declaration. In
ies of the regalities elsewhere herein specified, extept shut-in gas well reyalties, lessor shall receiv on production from an area so pooled only such portion of the reyalties which, in the between of use hopolog, would be jayable hertunder to lessor on production from the land covered by this lease which is placed in the pooled area as the amount of the surface acreage in the land covered by this lease which is placed in the pooled area. Nothing herein contained shall authorize or effect any transfer of any title to any leasehold, reyalty or other interest pooled pursuant heretis. The commincement of a well, or the operation, the completion of a well or of a dry hole, or the operation of a producing well on the pooled area, shall be considered for all purposes texapter for reyalty purposes) the same as if said well were lo-
rated on, or such drilling operations were iconducted upon, the lands covered by this lease whether or not such well is located upon, or such drilling operations are conducted upon, said ands. Lessee may terminate any pooling effected pursuant hereto as any time the pooled unit is not capable of producing and no drilling operations are being conducted thereon by exerciting and filling of record in the county or counties in which the pooled area is located a written occleration of the termination of such pooling, provided that the pooling of all interests not covered by this lease which comprise, a part of such pooled unit be also termination in some effective manner.
10. The rights of either party hereunder may be assigned in whole or in part and the provisions hereof shall extend to their heirs, successors and assigns, but no change or division in the ownership of the land, rentals or royalties, however accomplished, shall operate or be surrounded to enlarge or increase the obligations or burdens of the lessee, or diminish its rights. Specifically, bot not by way of limitation of the foregoing, the lessee shall not be required to offset wells on separate tracts into which the land covered by this lease may be read to be required to offset wells on the lessee of the lessee, no change in the ownership of land or the right to receive rentals or royalties hereunder, or any interest therein, however accomplished, shall be binding on the lessee (except at lessee's option) until thirty (30)
lays after lessee has been furnished with written notice thereof, together with the supporting information hereinafter referred to, by the party claiming as the result of such change in ownership or interest. Such notice shall be supported by original or certified copies of all recorded documents and other instruments or proceedings necessary in lessees's opinion to stabilish the ownership of the claiming party. All advance payments of rentals made hereunder within thirty (30) days after receipt of said documents shall be binding on any direct or indirect assignee, grantee, devixee, administration, executor, heir or successor to the lessor. In the event of an assignment or sublease of this lease as to seprepared portions of the and above described the rental payments hereunder shall be apportioned as to the several leasehold owners. (including sublessees) ralably according to the surface area of each, and felault in the erental payment by one shall not affectly the other leasehold owners.
11. In the event lessor considers that the lessee has failed to comply with any obligation hereunder, exprets or implied, lessor shall notify lessee in writing, specifying in what respect lessor claims lessee has breached this lesse. The service of such notice and elapse of sixty (60) days without lessee menting or commencing to meet the alleged breaches shall be condition precedent to any action by lessor for any cause. If, within sixty (60) days after the receipt of such notice lessee shall meet or commence to meet the breaches alleged by service shall not be deemed in default hereunder.
a lessor only in the proportion that his interest bears to the entire fee or mineral estate. If, however, during the term of this lease any reversion of interest to lessor should occur, then one in that event on the next succeeding rental anniverancy later lessor shall have no notified lessor of the concurrence of such reversion and shall have furnished lessor with satisfactory proof hereof, the rental shall be increased to cover! the additional interest so acquired by the lessor. 13. All provisions hereof express or implied shall be subject to all federal and state lews and the orders, rules and regulations of all governmental agencies administering the same
and interpretations thereof by such agencies or courts having jurisdiction), and this lease shall not in any way be terminated wholly or partially nor shall the lessee be liable in lamanages for failure to comply with any of the express or implied coverants hereof if such failure as caused by any such laws, orders, rules or regulations for interpretations thereof by all agencies or courts having jurisdiction). If lessee should be prevented during the last six (6) months of the primary term hereof from drilling a well hereunder by the order of any duly constituted authority having or asserting jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling a completion thereof not being available from any cause, the primary term of this lesses shall continue until six (6) months after said order is suspended and/or said equipment is
realiable. 14. This lease and all of its terms and conditions shall be binding upon all successors of the lessors and the lessees. Should any one or more of the parties above named as lessors all to execute this lease, it shall nevertheless be binding upon all lessors who do execute it. Notwithstanding any language hersin to the contrary, it is expressly understood and agreed has any payment or payments made by the lessee to the owner of any interest subject to this lease shall be sufficient payment hersunder as to such interest notwithstanding the plonder earlie of the spouse of any such party as a party-lessor for the purpose of walving bonnested, dower or inchaste rights of inheritance, if any. 15. Lessor hereby warrest that the party is to be lead above described and appress that the lessee shall have the right at any time to redeem for lessor, by payment, ny mortispie, axes or other liens on the above described land in the event of default of payment by the lessor and the lessor shall have the right at any time to redeem for lessor, by payment, ny mortispie, axes or other liens on the above described land in the event of default of payment by the lessor and the lessor shall be subrogated to the rights of the holder thereof, and lessor hereby appress that the pay such payments made by the lessee for that lessor may, at lesser's option, be deducted from any amounts of more which may become dose or payable to
he leasor under the terms of this lease. IN WITHERS WHEREOF, we sign this as of the day and year first above written.
SS# Daniele Daville Daniele

Peter Daville Damele

La Raine Damele

La Raine Damele

New -113 BOOK 69 PAGE 250

PRINTED BY WILKINS PRINTING, INC., 511 16th ST. SUITE 222 DERVER, CD. 80202 (303) R93-1681
STATE OF
COUNTY OFALKEROL ACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this
day of Thereauf 1979 personally appeared Blossard & Donald
Lette Damele
and Da dine Namell, his wife,
- 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1
to me known to be the Identical person. S, described in and who execute
the within and foregoing instrument of writing and acknowledged to me that halfduly executed the same as
IN WITNESS WHEREOF, I have hereunto set my hand and altired my notarial seal the day and year last above written. My Commission Expires.
AV Commission Expires / CV OFFICE CONTROL OF Public CONTROL OF Pub
CE VI
CTIOTE OF
STATE OF
COUNTY OFACKNOWLEDGMENT — INDIVIDUAL
BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this
day of
and
to me known to be the identical person, described in and who execute
the within and foregoing instrument of writing and acknowledged to me thatduly executed the same as
and voluntary act and deed for the uses and purposes therein set forth.
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.
My Commission Expires.
Notary Public.
State of
County ofss.
On this
appeared to me personally known, who, being b
me duly sworp, did say that he is the
and that the seal affixed to said instrument is the corporate seal of said corporate
tion and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said
Witness my hand and seal this
(SEAL) Notary Public.
(SEAL) Notary Public.
My Commission expires

67920

RECORDED AT THE REQUEST OF Transcontinent 0:1 Company on March 12, 19.79 at 30 mins. past 10 A. M. I. Book 69 of OFFICIAL RECORDS, page 250-251, RECORDS O' EUREKA COUNTY, NEVADA WILLIS A. DePAOLI Recorder File No. 67920

800K 69 PAGE -251

Franscontinent Oil Company 1000 mer nanona ann eurose