

## MEMORANDUM OF OPTION AGREEMENT

This Instrument, made and executed this 12<sup>th</sup> day of MAY, 1980, by and between THE 25 CORPORATION, a Kansas corporation, hereinafter called the "Optionor", and NL INDUSTRIES, INC., a New Jersey corporation, doing business by and through its NL Baroid Division, hereinafter called "Baroid".

## W I T N E S S E T H:

Notice is hereby given that the Optionor and Baroid have executed an Agreement of even date herewith by which the Optionor has granted unto Baroid, to the extent that it may legally do so, the right to enter upon and occupy certain Fee Lands situated in Elko and Eureka Counties, Nevada in order to explore for barite and to test, sample and remove reasonable quantities therefrom. The Optionor has also granted unto Baroid the sole and exclusive option to purchase whatever interest the Optionor may have or hereafter acquire in the barite mineral estate in said Fee Lands, together with the right to cross and haul any and all ores over the surface of said Fee Lands and over the surface of other lands (or any portion thereof) which are now or hereafter owned by the Optionor in Elko and Eureka Counties, Nevada. RESERVING, HOWEVER, unto the Optionor, its successors and assigns, an earned royalty interest in all barite finished product and concentrates derived from said Fee Lands and in addition thereto, a haulage royalty for the privilege of transporting ores across the surface of properties owned by the Optionor. The said Fee Lands are more fully described in Exhibit "A", attached hereto, made a part hereof and incorporated herein by this reference.

The term of said Agreement referenced herein is for a period of one (1) year from and after MAY 12, 1980 so that unless terminated prior thereto or extended upon mutual consent, said Agreement shall expire by its own limitations at midnight on the 12<sup>th</sup> day of MAY, 1981; provided, however, Baroid has the right at any time during the term thereof to exercise the option therein granted by serving written notice of its intent so to do upon the Optionor.

It is understood that this Instrument has been executed by the parties hereto solely to record evidence of the existence of said Agreement, executed counterparts of which are in the possession of the Optionor and Baroid; accordingly, this Instrument neither adds to, subtracts from, nor changes in any manner those terms, conditions and provisions contained therein.

IN WITNESS WHEREOF, the parties hereto have caused this Instrument to be duly executed as of the day and year first above written.

THE 25 CORPORATION

By Billy C. Macay

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NL INDUSTRIES, INC., acting by  
and through its NL Baroid Division

By *K. E. Laughery* *of NL*  
K. E. Laughery  
Attorney-in-Fact

STATE OF NEBRASKA )  
 ) SS.  
COUNTY OF LANCASTER )

On this 12<sup>th</sup> day of May, 1980, personally appeared before me,  
a Notary Public, *BILL W. MAZUR* of THE 25 CORPORATION,  
a Kansas corporation, who acknowledged that he executed the above instrument  
on behalf of said corporation.

GENERAL NOTARY - State of Nebraska  
LINDYNE R. BEECK  
My Comm. Exp. June 2, 1981

*Lindyne R. Beeck*  
Notary Public

My commission expires: *June 2, 1981*

STATE OF TEXAS )  
 ) SS.  
COUNTY OF HARRIS )

On this 1<sup>st</sup> day of May, 1980, personally appeared before me,  
a Notary Public, K. E. LAUGHERY, known to me to be the person whose name is  
subscribed to the within instrument as the Attorney-in-Fact of NL INDUSTRIES,  
INC., a New Jersey corporation acting by and through its NL Baroid Division,  
and acknowledged to me that he subscribed the name of said corporation thereto  
as principal, and his own name as Attorney-in-Fact.

SANDRA M. BAYNHAM  
Notary Public - Harris County, Texas  
My Commission Expires March 27, 1981

*Sandra M. Baynham*  
Notary Public

My commission expires: \_\_\_\_\_

EXHIBIT "A"

TARGET AREA I (Powderhorn Claim Area)

T38N R52E

Section 19 SE $\frac{1}{4}$   
Section 20 S $\frac{1}{4}$   
Section 29 W $\frac{1}{4}$   
Section 30 E $\frac{1}{4}$   
Section 31 W $\frac{1}{4}$  NE $\frac{1}{4}$

TARGET AREA II (Starvation Canyon Area)

T39N R52E

Section 22 E $\frac{1}{4}$  NW $\frac{1}{4}$   
NE $\frac{1}{4}$  SW $\frac{1}{4}$   
S $\frac{1}{4}$  SW $\frac{1}{4}$   
NW $\frac{1}{4}$  SE $\frac{1}{4}$   
S $\frac{1}{4}$  SE $\frac{1}{4}$   
NE $\frac{1}{4}$   
Section 23 NE $\frac{1}{4}$  NW $\frac{1}{4}$   
SW $\frac{1}{4}$  NW $\frac{1}{4}$   
S $\frac{1}{4}$  SW $\frac{1}{4}$   
W $\frac{1}{4}$  SE $\frac{1}{4}$   
NE $\frac{1}{4}$  SE $\frac{1}{4}$   
W $\frac{1}{4}$  NE $\frac{1}{4}$   
SE $\frac{1}{4}$  NE $\frac{1}{4}$   
Section 24 S $\frac{1}{4}$  SW $\frac{1}{4}$   
S $\frac{1}{4}$  SE $\frac{1}{4}$

Section 25 E $\frac{1}{4}$  SW $\frac{1}{4}$   
SW $\frac{1}{4}$  SW $\frac{1}{4}$

Section 26 NE $\frac{1}{4}$   
E $\frac{1}{4}$  SE $\frac{1}{4}$

Section 35 NE $\frac{1}{4}$  NE $\frac{1}{4}$

Section 36 N $\frac{1}{4}$  NW $\frac{1}{4}$   
N $\frac{1}{4}$  NE $\frac{1}{4}$

TARGET AREA III (Water Pipe Canyon Area)

T39N R53E

Section 30 NE $\frac{1}{4}$  NW $\frac{1}{4}$   
SW $\frac{1}{4}$  NE $\frac{1}{4}$

RECORDED AT REQUEST OF  
*M. Baroid Petroleum Services*  
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OFFICE OF THE COUNTY CLERK  
EUREKA, CALIFORNIA  
WALLIS A. BEECHER, RECORDER  
FILE NO. 73896  
FEE \$ 5.00

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