84951

MORTGAGE

THIS INDENTURE, made this 3rd day of May, 1982, by and between CRESCENT VALLEY RESOURCES COMPANY (hereinafter referred to as the "Mortgagor") and FIRST INTERSTATE BANK OF UTAH (hereinafter referred to as the "Mortgagee")

WITNESSETH:

That the Mortgagor for and in consideration of a sum of money, the aggregate amount of which shall not exceed ONE MILLION THREE HUNDRED THOUSAND DOLLARS (\$1,300,000), advanced and to be advanced, pursuant to a revolving loan agreement dated February 1, 1982 (hereinafter referred to as the "Loan Agreement") by and between Mortgagee and AMERICAN CHEMICAL AND ENERGY CORPORATION, an affiliate of Mortgagor (hereinafter referred to as the "Borrower"), the receipt of which is hereby acknowledged, does by these presents grant, bargain, sell, convey and confirm unto the Mortgagee, its successors and assigns forever, all that certain real property situate, lying and being in the Counties of Eureka and Lander, State of Nevada, as more particularly described on Exhibit "A" attached hereto and incorporated herein by reference. Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

Nevertheless, this conveyance is intended as a mortgage to secure the payment of all sums which are or may hereafter in any manner become due or owing from Mortgagor and from Borrower pursuant to the terms of the Loan Agreement.

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IN WITNESS WHEREOF, Mortgagor has executed this indenture the day and year first above written.

MORTGAGOR:

ATTEST:

CRESCENT VALLEY RESOURCES COMPANY

resident

STATE OF UTAH

COUNTY OF SALT LAKE

On the 30 day of One, 1982, personally appeared before me Kent M. Whitney and Cardell W. Smith, who being by me duly sworn did say that they are the President and Secretary, respectively, of CRESCENT VALLEY RESOURCES COMPANY, and that the foregoing instrument was signed on behalf of said corporation by authority of a resolution of its Directors, and said Kent M. Whitney and Cardell W. Smith acknowledged to me that said corporation executed the same.

Affixed

NOTARY PUBLIC Residing at: Midvale, Utah

My Commission Expires:

2/22/86

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Caldwell Ranch:

MEI/4 of Section 13. Township 28 North, Range 47 East, M. D. B. &M. together with improvements, water, and water rights located thereon.

Dan Filippini Lands

N1/2SW1/4 and S1/2NE1/4 of Section 36, Township 30 North, Range 50 East of the MDB&M.

Subject to reservations in Dan Filippini of an undivided one-half interest in and to all oil, gas, coal, geothermal and steam and mineral rights of every kind and nature, including the right to use so much of the surface to prospect for, locate, develop, produce, and transport said oil, gas, coal, geothermal or steam, or minerals and any of their by-products.

HALF CIRCLE RANCH:

PARCEL I

TOWNSHIP 28 NORTH, RANGE 49 EAST, M.D.B.EM.

Section 1: 711 Section 3: VII Section 9: אוז Section 11: All Section 13: YII Section 15: Section 21: N1/2Section 23: All

TOWNSHIP 28 MORTH, RANGE 50 EAST, M.D.B.SM

Section 1: All Section 3: All Section 5: УII 7: Section All Section 9: All Section 11: YII Section 13: All Section 15: 211 Section 17: All Section 19: All. Section 21: Section 23: Λll

TOWNSHIP 23 HORTH, RANGE 51 EAST, M.D.B.SM

Section 5: All Section 7: All Section 9: All

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TOWNSHIP 29 MORTH, RANGE 49 EAST, M.D.B.LM.

Section 1: All Section 9: All Section 11: All Section 13: Section 15: VII. All Section 21: All Section, 23: All Section 25: All Section 27: 711 Section 35: All

Section 1:

TOWNSHIP 29 NORTH, RANGE 50 EAST, M.D.B.SM.

All

All

Section 3: All Section 5 : A11 Section 7: All Section All Section 11: All Section 13: E1/2; N1/2NW1/4; N1/2S1/2NW1/4; \$1/2N1/25W1/4; \$1/2SW1/4 Section 15: All Section 17: All Section 19: All Section 21: All Section 23: All Section 25: **A11** Section 27: All Section 29: $\lambda 11$ Section 31: Section 33: All All Section 35:

TOWNSHIP 29 NORTH, RANCE 51 PAST, M.D.B. SH.

Section 31: All

TOWNSHIP 30 HORTH, RANGE 50 EAST, M.D.B. &M.

Section 35: All

EXCEPTING all petroleum, oil, natural gas and products derived therefrom, together with the exclusive right at all times to enter upon or in said land, to prospect for and to drill, bore, recover and remove the same, as reserved by SOUTHERN PACIFIC LAND COMPANY in Deed re-corded July 7, 1949 in Book 23 of Deeds at page . 583, Eureka County, Nevada, records.

EXCEPTING from all of PARCEL I, except Sections 1, 3, 9, 15 and 21, Township 29 North, Range 49 East; Section 1, Township 29 North, Range 50 East; and Section 35, Township 30 North, Range 50 East, M.D.B.&M., a one-half interest in and to the iron and mineral rights conveyed by DAN FILIPPINI to . . ROY L, PRIMERUX and FRANCES PRIMERUX by deed recorded August 20, 1951 in Book 24 of Deeds at

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BYSCEP II

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TOWNSHIP 26 NORTH, RANGE 49 EAST, M.D.B.EM.
Section 20: NW1/4NE1/4; NE1/4NW1/4
TOWNSHIP 27 MORTH, RANGE 48 EAST, M.D.B. 6M.
 1 . 1 . 2 ± V ...
Section 33: NW1/4SW1/4
TOMISHIP 28 NORTH, RANGE 47 DAST, M.D.B.EM.
Section 5: Lots 2
Section 5: NE1/4
              Lots 2, 3 and 4
TOWNSHIP 28 NORTH, RANGE 48 EAST, M.D.B. EM.
Section 1: All
Section 3:
              A11
Section
          5:
              All
Section
          7:
              All
              NE1/4NE1/4; S1/2S1/2
Section
          : 3
Section
          9:
              ALL
Section 11:
              MIL
Section 12:
              S1/2S%1/4; SW1/4SE1/4
Section 13:
Section 14:
              N1/2; SW1/4; W1/2SE1/4
Section 15:
Section 16:
              W1/2NE1/4; KW1/4
Section 17:
Section 18:
              E1/2E1/2; NW1/4NE1/4; NZ1/4NW1/4;
              Lot 1 (NW1/4NW1/4)
Section 19:
              NW1/45E1/4
              S1/2SE1/4
Section 21:
              SW1/4SW1/4
Section 22:
              N1/2NW1/4
NE1/4NE1/4
Section 23:
Section 24:
              SW1/4XW1/4
Section 27:
              NE1/4; E1/2NW1/4; SE1/4SW1/4;
Section 23:
              SW1/4SE1/4; RE1/4SE1/4
Section 32:
              SE1/4NE1/4; SW1/4SW1/4; NE1/4SW1/4;
              NW1/4S#1/4
              NW1/4NW1/4
Section 33:
TOWNSHIP 28 NORTH, RANGE 49 EAST, M.D.B.&M.
               S1/2NE1/4
 Section 2:
 Section 7:
              \lambda 11
 Section 19:
               M1/2
               NW1/4NW1/4
 Section 24:
 Section 26:
Section 28:
               KZ1/4KW1/4
               RW1/4ND1/4; NE1/4SE1/4
 Section 30:
               RE1/48W1/4
 Section, 32:
               SE1/4XU1/4
 Section 3::
               NW1/4NW1/4
               NW1/4SE1/4
 Section 35:
               NW1/4NE1/4; N1/2SW1/4
 Section 36:
 TOWNSHIP 29 NORTH, RANGE 47 EAST, M.D.D.SM.
  Section 18: Lots 10, 11 and 12 BOOK | 04 PAGE 020 Section 32: Lots 2, 3 and 4; NEI/4SEL/4
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TOWNSHIP 29 NORTH, RANGE 49 EAST, M.D.B.SM.

Saction 36: W1/2NB1/4

TOWNSHIP 29 NORTH, RANGE 50 EAST, M.D.B.&M.

Section 10: SW1/4SE1/4

Section 30: S1/2NE1/4; NE1/4SE1/4

PARCEL III

TOWNSHIP 30 NORTH, RANGE 50 EAST, M.D.B. SM.

Section 15: All Section 21: All Section 23: All

EXCEPTING, therefrom, ninety per cent (90%) of the coal, oil, gas and other minerals of every kind and nature whatsoever as reserved by STRATHEARN CATTLE COMPANY and DAVE STRATHEARN in Deeds recorded May 25, 1959 in Book 25 of Deeds at page 297, Eureka County, Nevada, records and recorded June 10, 1959 in Book 25 of Deeds at page 310, Eureka County, Nevada records.

PARCEL IV

TOWNSHIP 29 NORTH, RANGE 50 EAST, M.D.B.SM.

Section 10: N1/2; SN1/4; N1/2SE1/4; SE1/4SE1/4

TOWNSHIP 30 MORTH, RANGE 50 EAST, M.D.B.EM.

Section 10: NE1/4NE1/4; S1/2NE1/4; SE1/4SW1/4

Section 14: W1/2NW1/4; SW1/4; S1/2SE1/4

Section 16: NE1/4NE1/4; S1/2NE1/4; SE1/4; SE1/4SW1/4

Section 22: All.

EXCEPTING, therefrom, all minerals as reserved by UNITED STATES OF AMERICA in Patents recorded September 23, 1964 in Pook 6 of Official Records at page 34, Eureka County, Nevada, records and recorded August 16, 1963 in Pook 27 of Deeds at page 9, Eureka County, Nevada, records.

FURTHER ENCEPTING from PARCELS I, II, III and IV, an undivided one-half inter-st in and to all oil, gas and mineral rights in and to all the rights of DAW FILIPPINI as reserved by DAW FILIPPINI in Deed recorded January 6, 1966 in Book 9 of Official Records at page 442, Euroka County, Nevada, records, and in Book 10 of Official Records at page 266, Lander County, Nevada records.

Together with all water rights appurtenant thereto.

- SUBJECT TO the following:

 1. The lien of taxes not yet due and payable. 2. Not used.
- All existing rights of way, easements, licenses, or privileges for roads, trails, canals, ditches, flumes, conduits, pipe, pole or transmission lines, on, under, over, through or across said premises.
- 4. Reservations contained in Patents executed by UNITED STATES OF AMERICA recorded in the office of the County Recorder of Eureka County and Lander County, Nevada, reading as follows:

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws, and decisions of court, and there is reserved. from the lands hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United. States."

Effects the following described parcels:

TOWNSHIP 27 NORTH, RANGE 43 EAST, M.D.B. &M. Section 33: NWasha

TOWNSHIP 29 NORTH, RANGE 47 EAST, M.D.B.EM.
Section 18: Lots 10, 11 and 12
Section 32: NEWSEN, Lots 2, 3 & 4

TOWNSHIP 28 NORTH, RANGE 49 EAST, M.D.B. &M. Section 21: SUSER
Section 22: SWESWE Section 28: NEt; ENNY

TOWNSHIP 26 MORTH, RANGE 49 EAST, M.D.B.&M. Section 20: NEWNEY; NEWNY

TOWNSHIP 28 NORTH, RANGE 49 EAST, M.D.B. &M.

Section 2: S ;: E : Section 24: $N : \{ X : \}$

Section 26: NEWWY

Section 23: NWYNEY; NEESE

Section 30: HENNY :

Section 32: SEEKKE

Section 34: MOSTAN

Section 35: NWESEL

Section 36: NOTICE NESSE

TOWNSHIP 29 NORTH, RANGE 49 EAST, M.D.B.EM. Section 36: Wenes

TOWNSHIP 29 NORTH, RANGE 50 EAST, M.D.B.SM.

Section 10: SHYSER Section 30: SHNEW; NEWSER

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Reservations contained in Patents executed by STATE OF NEVADA rec in the office of the County Recorder of Eureka County and Lander County Nevada, reading as follows:

"Provided that all mines of gold, silver, copper, lead, cinna and other valuable minerals which may exist in said tract are hereby expressly reserved."

Effects the following described parcels:

TOWNSHIP 28 NORTH, RANGE 47 RAST, M.D.B.SM. Section 5: Lot 4

TOWNSHIP 28 MORTH, RANGE 48 EAST, M.D.B.SM. Section 6: SEESWEE, STREET, NEEWER

Section 12: ShSWk; SWkSEk-

NI; SWK; WISEL Section 14:

Section 16: NUL: WINEY

Section 17: Neb; Nebsuk; Wasna; Seaswh; Sasek; Nebsek

Lot 1; EKSEK; SEKNEK; NWKNEK; NEKNWK _ Section 18:

Section 19: NWESER

Section 23: NEWNE

Section 24: NEFNEF

FWZZWZ Section 27:

SEKSWE: SWESEK; NEESEK Section 28:

Section 32: SEKNEY; SWESWY; NEWSWY; NWESEY

Section 33: NWERWE

6. Reservations contained in Patents executed by STATE OF NEVADA reco. in the office of the County Recorder of Lander County and Eureka Count Nevada, reading as follows:

"Provided that all mines of gold, silver, copper, lead, ... cinnabar and other valuable minerals which may exist in said traxt, and also a right of way for ditches, tunnels, and telephone and transmission lines constructed by authority of the United States are hereby expressly reserved."

Effects the following described parcels:

TOWNSHIP 28 NORTH, RANGE 47 EAST, M.D.B.&M.

Section 5: Section 6: Lots 2 63

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Reservations contained in Patent executed by STATE OF NEVADA recorin the office of the County Recorder of Eureka County, Nevada reading . follows:

"Provided that all mines of gold, silver, copper, lead, cinnabar and other valuable minerals which may exist in said tract are hereby expressly reserved, except for gas, coal, oil and oil shales. (Chap. 172 Stats. 1921)."

Effects the following described parcels:

TOWNSHIP 30 MORTH, RANGE 50 EAST, M.D.B.&M. Section 14: SEESAN

Reservations contained in Patent executed by UNITED STATES OF AMERIC conveying PARCES IV recorded in the office of the County Recorder of Europa County, Nevada, reading as follows: . BUN 04 PAGE 23

"Subject to any vested and accrued water rights for mining, agricultural, manufacturing, or other purposes, and rights to ditches and reservoirs used in connection with such water rights, as may be recognized and acknowledged by the local customs, laws and decisions of courts; and there is reserved from the lands hereby granted a right of way thereon for ditches or canals constructed by the authority of the United States.

Reserving, also, to the United States all minerals in the land so granted, together with the right to prospect for, mine and remove the same as authorized by the provisions of said Section 8 as amended as aforesaid."

9. Reservations contained in Deed from SOUTHERN PACIFIC LAND COMPANY, conveying PARCEL I to DAN FILIPPINI, recorded in Book 23 of Deeds at p. 583, Eureka County, Nevada, records, reading as follows:

"Excepting all petroleum, oil, natural gas and products derived therefrom, together with the exclusive right at all times to enter upon or in said land, to prospect for and to drill, bore, recover and remove the same."

10. Reservations contained in Deed from SOUTHERN PACIFIC LAND COMPANIconveying all of Sections 15, 21 and 23, Township 30 North, Range 50 East, MDBSM, (PARCEL III) to BERENICE M. STRATHBARN, recorded June 20 1958 in Book 25 of Deeds at page 240, Eureka County, Nevada, records reading as follows:

"Excepting, however, for railroad purposes a strip of land 400 feet wide, lying equally on each side of the track of the railroad of said company, or any branch railroad now or hereafter constructed on said lands, and the right to use all water needed for the operating and repairing of said railroad which rises on said land and the right of way to conduct water rising on other lands, across said land in pipes or aqueducts for said purposes; and subject also to the reservation and condition that the said purchaser, his heirs and assigns, erect and maintain good and sufficient fences on both sides of said strip or strips of land."

11. Reservations contained in Deed from STRATHEARN CATTLE COMPANY of veying Sections 21 and 23, Township 30 North, Range 50 East, MDBEM., (PARCEL III) to MAE NICHOLS recorded May 24, 1959 in Book 25 of Deed at page 297 and conveying Section 15, Township 30 North, Range 50 East page 297 and conveying Section 15, Township 30 North, Range 50 East page 297 and conveying Section 15, Township 30 North, Range 50 East page 297 and conveying Section 15, Township 30 North, Range 50 East page 297 and conveying Section 15, Township 30 North, Range 50 East page 310, Eureka County, Nevada, records, read as follows:

"RESERVING, HOMEVER, unto the STRATHEARN CATTLE COMPANY 903 of the right, title and interest of the STRATHEARN CATTLE. COMPANY in and to coal, oil, gas and other minerals of every kind and nature whatsoever existing upon, beneath the surface of, or within said lands, including the right to the use of so much of the surface thereof as may be required in prospection, in locating, developing, producing and transporting said coal, oil, gas or minerals and any of their by-products."

12. Non-exclusive easement for roadway purposes over an existing roadway said Sections 10, 15 and 23 in Township 29 North, Range 50 Easement, granted to SAM SUNINO, ANTOINETTA SUNINO, BERNARD ZUNINO and STANLEY A. ZUNINO, their heirs and assigns, by document recorded Juning in Book "H" of Miscellaneous Records at page 100% (Charles Country)

13. Reservations contained in Deed dated October 11, 1962 executed to JOHN C. CARPENTER, UR., et al. Conveying PARCEL III to DAN FILIPPINI corded December 3, 1962 in Book 26 of Deeds at page 323, Eureka Countil Revada, records, reading as follows:

"RESERVING UNTO THE MAGNUSON RANCH Copartnership all rights and privileges to grave livestock upon the public domain under the so-called Taylor Grazing Act which are based upon or appurtenant to the above-described lands or any portion thereof, together with the right to transfer all such rights to other base lands."

14. HEAT, FLUID AND MINERAL LEASE effecting Section 3, Township 28 N. Range 49 East, MDBSM., executed by DAN FILIPPINI, et al, lessors and. JOSEPH J. O'NEILL, JR., lessee recorded June 10, 1964 in Book 4 of Official Records at page 194, Euroka County, Nevada.

An undivided one-half interest in and to said lease assigned by D; FILIPPINI to HALF CIRCLE CATTLE CO., INC., by document recorded Januar, 1966 in Book 9 of Official Records at page 451, Eureka County, Nevada.

The interest of JOSEPH J. O'NEILL, JR., in and to said lease assisto-CHARLES W. OLIPHANT by document recorded March 20, 1967 in Book 18 (Official Records at page 329, Eureka County, Nevada.

15. HEAT, FLUID AND MINERAL LEASE effecting the SHMEN of Section 2, To ship 28 North, Range 49 East, and All of Section 7 and the MNy of Section Township 28 North, Range 49 East, MDBSM., executed by DAN FILIPPINI, et al, lessors and JOSEPH J. O'NEILL, JR., lessee, recorded June 10, 1964 in Book 4 of Official Records at page 200, Eureha County, Nevada.

An undivided one-half interest in and to said Lease assigned by DAN FILIPPINI to HALF CIRCLE CANTLE CO., INC., by document recorded January 6, 1966 in Book 9 of Official Records at page 450, Eureka Coun-Nevada.

- 16. Reservations contained in Deed dated August 27, 1964 executed by JOHN C. CARPENTER, et al, conveying that portion of PARCEL IV described in Township 36 North, Range 56 East, MDBsM., recorded September 23, 19, in Book 6 of Official Records at page 37, Eureka County, Nevada.
- 17. Fasement for spring_and pipeline over the SEANER and NEWSER of Section 13, Township 28 North, Range 50 East, MDBsM., granted UNITED STATE OF AMERICA, BUREAU OF LAND MANAGEMENT by document recorded November 12 1005 in Book 9 of Official Records at page 136, Eureka County, Nevada.
- 18. Easement for spring and pipeline over the SENNEW and NEWSEW of Section 13, Township 28 North, Range 30 East, MDBIH., granted.UNITED STATE OF AMERICA, BUREAU OF LAND MANAGEMENT by document recorded November 12, 1965 in Book 9 of Official Records at page 214, Eureka County, Nevada.
- 19. Easement for seeding over Section 23 and 35, Township 30 North, Range 50 East, MDBLM., granted UNITED STATES OF AMERICA, BUREAU OF LAW MANAGEMENT by document recorded September 9, 1966 in Book 12 of Official Records at page 85, Eureka County, Nevada.
- 20. Easement for a fence over the SEMSEW of Section 15, Township 30 North, Range 50 East, NDBSM., granted UNITED STATES OF AMERICA, BUREAU OF LAWD MANAGEMENT by document recorded September 9, 1966 in Book 12 of Official Records at page 85, Eureka County, Nevada.

- 22. Geothermal Resources Lease dated Dacember 7, 1972, in which DAN FILIPPINI, an unmarried man, appears as Lessor and STANDARD OIL COMPA OF CALIFORNIA, appears as Lessoe, recorded February 20, 1973, in Book page 474, records of Eureka County, Nevada.
- 23. Geothermal Resources Lease dated December 7, 1972, in which DAN FILIPPINI, an unmarried man, appears as Lessor and STANDARD OIL COMP. OF CALIFORNIA appears as Lessee, recorded in Book 44, page 536, recorded Eureka County, Nevada.

SECONDER OF BY Just Jederaf Unterstate Bank 82 JUL 9 A 9: 19

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RECORDED AT REDUEST OF FIRST INTERSTATE BANK of Utah BOOK 104 PAGE 16

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OFFICIAL RECORDS
EDREKA CUMI V. REVLOA
WILLIS A. DEPAOLI-AECERDER
FRE M. 84951
FEE \$1448