

PARTIAL RELINQUISHMENT, RELEASE AND  
REDUCTION OF OVERRIDING ROYALTY

On the 31st day of August, 1980 WINDFALL VENTURE, a partnership with principal offices in Grand Junction, Colorado executed and delivered a Royalty Deed to ST. JAMES HOLDINGS, LTD., a corporation organized under the laws of the Territory of the British Virgin Islands, with principal offices at Road Town Tortola, British Virgin Islands ("St. James"), which Royalty Deed is recorded in Book 90 at Pages 311 to 317, inclusive, in the Official Records of Eureka County, Nevada, is incorporated herein for all pertinent purposes and is hereinafter referred to as the "St. James Royalty Deed".

Under the St. James Royalty Deed, St. James acquired a ten percent (10%) overriding royalty interest under and with respect to certain patented and unpatented lode mining claims situated in Eureka County, Nevada, referred to in the St. James Royalty Deed (as well as herein), in the aggregate, as the "Mining Claims" as more particularly specified and described in the St. James Royalty Deed.

WESTERN WINDFALL, LTD., a limited partnership in which Western Gas, Oil and Mining, Ltd. ("Western") is the general partner, has acquired title to the Mining Claims subject to the burden, among others, of the St. James Royalty Deed and wishes to obtain a relinquishment, release and reduction of the overriding royalty conveyed by the St. James Royalty deed from ten percent (10%) to four percent (4%), and St. James is willing to partially relinquish, release and reduce the said overriding royalty for the consideration hereinafter expressed.

THEREFORE, in view of the foregoing, and for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, St. James hereby relinquishes, releases and reduces the overriding royalty conveyed to it by and under the St. James Royalty Deed from ten percent (10%) to four percent (4%), and the St. James Royalty Deed is hereby altered, amended and modified hereby, effective as of January 1, 1983, such that the total overriding royalty interest of St. James in the Mining Claims under such Royalty Deed shall be limited to four percent

(4%) calculated in the manner and in accordance with the provisions of the St. James Royalty Deed, which as hereby altered, amended and modified, shall remain in full force and effect.

This Partial Relinquishment, Release and Reduction of Over-riding Royalty shall be binding upon the undersigned St. James, its successors and assigns, and shall inure to the benefit of Western, its successors and assigns.

ST. JAMES HOLDINGS, LTD.

ATTEST:

By *[Signature]*  
Secretary

By *[Signature]*  
President

TERRITORY OF BRITISH

VIRGIN ISLANDS

)  
) ss.  
)

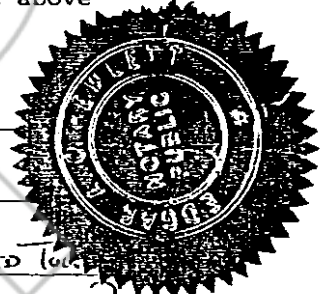
On the 27<sup>th</sup> day of July, 1982, being by me first duly sworn Douglas Wilson as President of ST. JAMES HOLDINGS, LTD., did acknowledge that he executed the above instrument on behalf of said corporation.

WITNESS MY HAND AND OFFICIAL SEAL.

My commission expires: 12 Feb 1986

*[Signature]*  
Notary Public

Address: Box 119, Red Lake  
Toronto, Ontario Canada



RECORDED AT REQUEST OF  
W. L. Wilson  
BOOK 114 PAGE 462

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OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
H.N. REBALEATI, RECORDER  
FILE NO. 49325  
FEE \$ 6.00