

104512

RIGHT OF WAY EASEMENT

THIS EASEMENT made June 27, 1986, by SFP MINERALS CORPORATION, a Corporation of the State of Delaware, hereinafter called Grantor, unto WESTERN STATES MINERALS-JV1, a joint venture between Western States Minerals Corporation, a Utah corporation, and PanCana Minerals, Inc., a Colorado corporation, hereinafter called Grantee,

WITNESSETH: That Grantor, for and in consideration of \$1,000.00
One Thousand and No/100 -----

Dollars, receipt whereof is acknowledged, does hereby grant to Grantee, subject to the provisions hereof, a right of way for a 60 KV electric transmission line and related appurtenances over, upon and across the following lands situated in the County of Eureka, State of Nevada, described as follows: on Exhibit "A" attached hereto and made a part hereof.

Reserving unto Grantor, its successors and assigns, the right to use the property for any and all purposes which will not interfere with Grantee's enjoyment of the easement hereby granted, including without limiting the generality of the foregoing, the exclusive reserved right to explore for, extract, mine and remove all minerals and mineral ores therein of every kind and character, including, but not limited to, oil, natural gas, hydrocarbon substances, and geothermal steam, brines and minerals in solution, sand, gravel and aggregates, in and underlying said property.

Subject to the following conditions:

That Grantee shall not fence the rights of way hereby conveyed.

Any and all underground facilities constructed hereunder shall be laid and maintained at least ~~thirty-six (36)~~ inches but not more than ten (10) feet below the surface of the ground and trenches shall be filled in and the ground maintained in its natural condition. In the event that the Grantee has the right to construct electric power lines hereunder the Grantee shall prevent the leakage of electric currents from Grantee's wires to such extent as may be necessary to avoid interference with other electrical transmission or communication lines.

That in the event of failure of Grantee to fully perform and comply with each and all of the provisions herein set forth, or in the event that said lands shall be used by Grantee for any other purpose than for the easement herein expressly granted, or in the event of non-use by Grantee of said rights of way for a continuous period of two (2) years then and in any of such events the rights of way hereby granted, or such part or parts thereof

BOOK 148 PAGE 46

as shall be used for such other purposes, or the use of which shall have been discontinued, shall thereupon immediately cease and determine and the right of use and possession thereof and the title thereto shall immediately revert to and revest in Grantor.

Grantee shall indemnify Grantor against and hold Grantor harmless from any and all loss, damage, and liability for damages, whether for damage to or loss of property, or injury to or death of person, which shall in any way arise out of or be connected with Grantee's operations hereunder, unless such damage, loss, injury or death shall be caused solely by the negligence of Grantor.

Upon termination, in any manner, of the rights herein granted the Grantee within sixty (60) days after written notice from Grantor so to do shall remove its structures and other property from said rights of way, or such part or parts thereof as shall have reverted to and revested in Grantor as herein provided, and in connection with such removal shall fill all excavations and restore the ground to substantially its original condition, failing in which the Grantor may do such work and dispose of said structures and property, the entire cost of which the Grantee covenants and agrees to pay to Grantor upon demand.

This grant of easement is subject to all contracts, leases, liens, easements and encumbrances or claims of title which may affect the lands herein described and nothing herein contained shall be construed as a covenant against the existence of any thereof.

All of the terms, covenants and provisions hereof shall inure to the benefit of and be binding upon the respective heirs, personal representatives, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, Grantor has caused its name to be hereunto subscribed by its officer thereunto duly authorized, and its corporate seal to be hereunto affixed and attested by its Secretary or Assistant Secretary, on the day and year first hereinabove written.

SEP MINERALS CORPORATION
By *W. J. King* Vice President
SEAL Affixed
Attest *W. J. King* Secretary

BOOK 148 PAGE 47

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

The foregoing instrument was acknowledged before me this 27th day of June, 1986 by K. Sageser as Vice President of SFP MINERALS CORPORATION, a Delaware corporation.

Witness my hand and official seal.

My commission expires September 20, 1986.



Diana E. Martin
Notary Public

COPIES

BOOK 148 PAGE 48

EXHIBIT A
TO
RIGHT OF WAY EASEMENT

by SFP Minerals Corporation to Western States Minerals JV-1,
dated June 27, 1986.

All that portion of the following described easement lying within the boundary lines of the lands of the Grantors herein:

A right of way forty (40) feet in width, lying twenty (20) feet on each side of the following described center line:

Commencing at the point of beginning, from which Point A (defined below) bears South 03°49'00" West for a distance of 2,914.78 feet; thence North 89°58'00" West for a distance of 2,474.06 feet; thence North 45°17'00" West for a distance of 1,918.50 feet; thence North 63°19'00" West for a distance of 13,713.21 feet to the end point, from which end point the Northwest Corner of Section 22, Township 36 North, Range 49 East M.D.B.&M. bears North 49°40'00" West for a distance of 78.59 feet. For the purposes hereof, Point A is defined as that certain brasscap placed by Mark Chilton, Nevada Registered Land Surveyor #1404, 11.25 feet North 00°04'09" East of the certain Southwest Corner of Section 30, Township 36 North, Range 50 East M.D.B.&M. disclosed by the Record of Survey No. 2, filed the records of the County Recorder of Elko County, Nevada on September 16, 1970 as File No. 54489.

RECORDED AT REQUEST OF
Western States Minerals Corporation
BOOK 148 PAGE 049

86 AUG 26 11:19

OFFICIAL RECORDS
ELKO COUNTY, NEVADA
COUNTY CLERK
FILE NO. 104512
FEE \$18.00

BOOK 148 PAGE 049