

THIS AGREEMENT made this 10th day of March 19 87 between
Milton Bors and Anna M. Bors, husband and wife
Box 37, Morengo, Saskatchewan, Canada S0L2K0

Les. or (whether one or more), and
Lesse. WITNESSETH: Jerry Ryan, 1509 Denver Club Bldg., Denver, Co. 80202

1. Lessor in consideration of Ten and more Dollars
(\$ 10.00), in hand paid, the receipt and sufficiency of which is hereby acknowledged, of the royalties herein provided, and of the agreement of Lessee herein
contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil and gas (including, but not limited to,
gas producible from coal-bearing formations) and all substances produced in association therewith, laying pipe lines, building tanks, power stations, telephone lines, roads and other structures
thereon to produce, save, take care of, treat, transport and own said products, and housing its employees, the following described land (hereinafter called "said land"), in
Eureka County, Nevada to wit:

Section 18: Lots 1,2, E $\frac{1}{2}$ NW $\frac{1}{4}$ (NW $\frac{1}{4}$)

of Section XX Township 27-North Range 52-East M.D.B. & M.

In addition to said land, Lessor hereby grants, leases and lets exclusively unto Lessee to the same extent as if specifically described herein all lands owned or claimed by Lessor which are
adjacent, contiguous to or form a part of said land, including all oil, gas and all substances produced in association therewith underlying lakes, rivers, streams, roads, easements and rights-of-way
which traverse or adjoin any of said land. For rental payment purposes, said land shall be deemed to contain 154.94 acres, whether it actually comprises more or less.

2 Subject to the other provisions herein contained, this lease shall be for a term of 5 years from this date (called "primary term") and as long thereafter as oil or gas is produced from said
land hereunder, or operations for drilling or reworking are conducted thereon.

3 The royalties to be paid by Lessee are: (a) on oil and other liquid hydrocarbons, one-eighth of that produced and saved from said land, the same to be delivered at the well, or to the credit of
Lessor into the pipe line to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where
produced on the date of purchase; (b) on gas and the constituents thereof produced from said land and sold or used off the premises or in the manufacture of gasoline or other products therefrom, the
market value at the well of one-eighth of the unit or unit, provided that on product sold at the well the royalty shall be one-eighth of the amount realized from such sale. Lessee shall have
free use of oil, gas, and water from said land, except water from Lessor's wells, streams, lakes and ponds, for all operations hereunder, and the royalty on oil and gas shall be computed after deducting
any so used.

4 If a well capable of producing gas and/or oil in paying quantities is located on said land and is shut in, before production commences, or at any time thereafter, this lease shall continue in
effect for a period of one year from the date such well is shut in. Lessee may thereafter, in the manner provided herein for the payment or tender of delay rentals, pay or tender to Lessor as royalty, oil or
before one year from the date such well is shut in an amount equivalent to the rental, and, if such payment or tender is made, such well shall continue the lease in effect for a further period of one year. In the
majority and upon the payment or tender annually made on or before each anniversary of the shut-in date of such well, such well shall continue the lease in effect for successive periods of twelve (12)
months each. Notwithstanding any other provision to the contrary, this lease shall not terminate because of a failure to properly or timely make shut-in well payments unless Lessor shall have given
to Lessee written notice of such failure in writing or orally make such shut-in well payment and Lessee shall have failed for a period of thirty (30) days after receipt of such notice to tender such payment in
the proper amount, together with a late or improper payment penalty of \$100.00.

5 If operations for drilling are not commenced on said land as hereinafter provided, on or before one year from this date, the lease shall then terminate as to both parties, unless on or before
such anniversary date Lessee shall pay or tender to Lessor or to the credit of Lessor in
Imperial Bank of Commerce
Kinnersley, Saskatchewan, Canada S0L1P0

which bank and its successors are Lessor's agent and shall continue as the depository for all rentals
such amount as shall be due to Lessor or to the credit of Lessor the sum of One Hundred
Fifty Four & 94/100 Dollars (\$ 154.94)

6 Lessee shall, on or before the anniversary date of the lease, pay or tender to Lessor or to the credit of Lessor the sum of One Hundred
Fifty Four & 94/100 Dollars (\$ 154.94) (called "rental"), which shall cover the privilege of deferring commencement of
operations for drilling for a period of twelve (12) months. In like manner such payment or tender annually the commencement of operations for drilling may be further deferred for successive
periods of twelve (12) months each during the primary term. The payment or tender of rental herein referred to may be made in currency, draft, check or by electronic funds transfer at the option of the
Lessee, and the depositing of such currency, draft or check in any post office, properly addressed to the Lessor or said bank, or the transfer of such funds to said bank on or before the rental payment date,
shall constitute payment of rental as provided. If such bank for any successor bank should fail, liquidate or be succeeded by another bank, or for any reason fail or refuse to accept payment, Lessee shall not be
liable in default for failure to make such payment, tender or transfer of rental until thirty (30) days after Lessee shall deliver to Lessee a proper recordable instrument, naming another bank as agent to receive
such payment, tender or transfer. The timely payment is consideration for this lease according to its terms and shall not be allowed as mere rental for a period. Lessee may at any time acquire and
convey to Lessor or its depository all or part of second or release covering any portion or portions of said land and thereby surrender the lease as to such portion or portions and the
balance of all obligations as to the acreage surrendered, and thereafter the rentals payable hereunder shall be reduced in the proportion that the acreage covered hereby is reduced to the acreage not
surrendered.

7 If Lessee shall on or before any rental date make a bona fide attempt to pay or deposit a rental payment due hereunder, and if such payment or deposit shall be erroneous in any respect (whether
deposited in the wrong depository, paid to persons other than the parties entitled therein, in an incorrect amount, or otherwise), Lessee shall be unconditionally obligated to pay to each owner the
rental properly payable for the period involved; but this lease shall be maintained in the same manner as if such erroneous payment or deposit had been properly made, provided that the erroneous
payment or deposit be made within thirty (30) days after receipt by Lessee of written notice from such Lessor of such error, accompanied by any documents and other evidence necessary to enable
Lessor to make proper payment.

8 Should any well drilled on said land during the primary term before production is obtained be abandoned, or should production be obtained during the primary term and thereafter be abandoned, then
and in either event, if operations for drilling an additional well are not commenced and operations for reworking an old well are not commenced on said land on or before the first rental payment date and
within the expiration of sixty (60) days after the cessation of production or drilling or reworking operations on said well or wells, then this lease shall terminate unless Lessee, not later than said date,
shall resume the payment of rentals. Upon resumption of the payment of rentals, Section 6 governing the payment of rentals, shall continue in force just as though there had been no interruption of the
rental payments. If during the last year of the primary term and prior to the expiration of oil, gas, or other hydrocarbons on said land Lessee should drill a dry hole thereon, or if after discovery of oil, gas or
other hydrocarbons before the last year of the primary term the production thereon should cease during the last year of said term from any cause, no rental payment or operations are necessary
in order to keep the lease in force during the remainder of the primary term. If at the expiration of the primary term Lessee is conducting operations for drilling or reworking on said land or when "no
completed dry hole thereon within one hundred eighty (180) days prior to the end of the primary term, or, after the expiration of the primary term, production on said land shall cease from any cause,
this lease nevertheless shall continue in force so long as operations for drilling or reworking on any existing or succeeding well are being conducted with the exception of more than one hundred eighty
(180) consecutive days and, if such operations result in production, so long thereafter as oil or gas is produced from said land.

9 Lessee shall, upon being given the right and power to pool or combine said land, or any portion thereof, as to oil and gas, or either of them, with any other land, lease or leases when in
Lessee's possession, it is necessary or advisable to do so in order to properly develop and operate said land, such pooling to be into a well unit or units not exceeding one hundred and forty (140) acres,
one acreage tolerance of ten percent (10%) of one hundred and forty (140) acres, for oil, and not exceeding six hundred and forty (640) acres, plus an acreage tolerance of ten percent (10%) of six
hundred and forty (640) acres for gas, except that larger units may be created to conform to any spacing or well unit pattern that may be permitted by governmental authorities having jurisdiction.
Lessee may pool or combine said land or any portion thereof, as above provided, as to oil or gas in any one or more strata, and units so formed need not conform to acre or area with the unit or units into
which said lands are pooled or combined as in any other stratum or strata, and oil units need not conform to acre or area with gas units. The pooling in one or more instances shall not exhaust the rights of the
Lessee hereunder to pool said land and portions thereof into other units. Lessee shall execute in writing and place of record an instrument or instruments identifying and describing the pooled acreage.
The entire acreage so pooled into a unit shall be treated for all purposes, except the payment of royalties, as if it were included in this lease, and drilling or reworking operations thereon or production of
oil or gas therefrom, or the location thereon of a well as a shut-in well, shall be considered for all purposes except the payment of royalties, as if such operations were on or such production were from
such shut-in well were on said land, whether or not the well or wells be located on said land. In the event of the royalty otherwise herein specified, Lessee shall receive from a unit so formed, only such
portion of the royalty stipulated herein as the amount of acreage from said land placed in the unit or Lessee's royalty interest therein bears to the total acreage so pooled in the particular unit involved.
Should any unit as originally created hereunder contain less than the maximum number of acres hereinabove specified, then Lessee may at any time thereafter, whether before or after production is
obtained on the unit, enlarge such unit by adding additional acreage therein, but the enlarged unit shall in no event exceed the acreage extent hereinabove specified. In the event an existing unit is so
enlarged Lessee shall execute and place of record a supplemental declaration of unitization identifying and describing the land added to the existing unit; provided, that if such supplemental
declaration or unitization is not filed until after production is obtained on the unit as originally created, then and in such event the supplemental declaration of unitization shall not become effective until
the first day of the calendar month next following the filing thereof. In the absence of production Lessee may terminate any unitized area by filing of record notice of termination.

10 Lessee shall have the right to unitize, pool, or combine all or any part of said land with other lands in the same general area by entering into a cooperative or unit plan of development or
operation approved by any governmental authority and, from time to time, with like approval, to modify, change or terminate any such plan or agreement and, in such event, the terms, conditions, and
provisions of this lease shall be deemed modified to conform to the terms, conditions, and provisions of such approved cooperative or unit plan of development or operation and, particularly, all drilling
and development requirements of this lease, express or implied, shall be satisfied by compliance with the drilling and development requirements of such plan or agreement, and this lease shall not
terminate or expire during the life of such plan or agreement. In the event that said land or any part thereof, shall hereafter be operated under any such cooperative or unit plan of development or
operation whereby the production therefrom is allocated to different portions of the land covered by said plan, then the production allocated to any particular tract of land shall be for the purpose of
computing the royalty to be paid hereunder to Lessor, he regarded as having been produced from the particular tract of land in which it is allocated. Lessee shall mutually express Lessor's consent to any cooperative or unit plan of development or
operation adopted by Lessee and approved by any governmental agency by executing the same upon request of Lessee.

11 Lessee shall have the right at any time without Lessor's consent to surrender all or any portion of said land and be relieved of all obligation as to the acreage surrendered. Lessee
shall have the right within a reasonable time after the expiration of this lease to remove all property and fixtures placed by Lessee on said land, including the right to draw and remove all casing. Within
required by Lessor, Lessee will bury all pipe lines below ordinary plow depth, and no well shall be drilled within two hundred (200) feet of any residence or farm house on said land without Lessor's
consent. The Lessee agrees to reimburse the owner thereof any damages to crops, or improvements, caused by or resulting from any operations of Lessee.

10. The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns of the parties hereto, but no change or division in ownership of said land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee. No change in the ownership of said land, or any interest therein, shall be binding on Lessee until Lessee is furnished with a certified copy of all recorded instruments, all court proceedings and all other necessary evidence of any transfer, inheritance, or sale of said rights. In event of the assignment of this lease, the rentals payable hereunder shall be apportionable among the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. Lessee assigns this lease, in whole or in part. Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

11. Lessee shall not be liable for breach of covenant, express or implied, nor shall this lease be subject to forfeiture for breach of condition, nor shall this lease be terminated by operation of any limitation provision herein as a result of Lessee's failure to pursue drilling operations on or to produce oil or gas from said land or lands pooled therewith if such operations on or production from said land is prevented or substantially impeded by governmental action or other cause not reasonably within the control of Lessee. After the cessation or termination of such governmental action or other cause, Lessee shall be entitled to a reasonable time to commence drilling operations or to commence or resume production.

12. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and in the event Lessee does so, it shall be subrogated to such lien with the right to enforce same and apply rentals and royalties accruing hereunder to toward satisfying same. Lessee shall pay all taxes based on the production from said land, and shall deduct such taxes attributable to Lessor's interest from royalty due hereunder. Without impairment of Lessee's rights under the warranty in event of failure of title, it is agreed that if Lessor owns an interest in said land less than the entire fee simple estate, then the royalties and rentals to be paid Lessor shall be reduced proportionately.

13. Lessor hereby releases and waives all right of dower and right of homestead under the laws of this state in and to said land to the extent of the rights granted by this lease.

14. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor, a lease covering any or all of the substances covered by this lease and covering all or a portion of said land, herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer. All offers made up to and including the last day of the primary term of this lease shall be subject to the terms and conditions of this Section. Should Lessee elect to purchase the lease pursuant to the terms hereof, it shall so notify Lessor in writing by mail or telegram prior to expiration of said 15-day period. Lessee shall promptly thereafter furnish to Lessor the new lease for execution on behalf of Lessor along with Lessee's collection draft payable to Lessor in payment of the specified amount as consideration for the new lease, such draft being subject only to approval of title according to the terms thereof. Upon receipt thereof, Lessor shall promptly execute said lease and return same along with the endorsed draft to Lessee's representative or through Lessor's bank of record for payment.

All of the provisions of this lease shall inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors and assigns.

This agreement shall be binding on each of the above named parties who sign the same, regardless of whether it is signed by any of the other parties.

IN WITNESS WHEREOF, this instrument is executed effective as of the date first above written.

Signature

Milton Bors

Milton Bors

Anna M. Bors

Anna M. Bors

Taxpayer Identification or
Social Security Number

STATE OF _____ } ss.
County of _____ }

Acknowledgment
(Individual)

On this _____ day of _____, A.D. 19____, personally appeared before me, a Notary Public,

to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that _____ executed the above instrument.

Witness my hand and notarial seal the day and year hereinabove written.

Notary Public for the State of _____

My Commission expires _____

Residing at _____

STATE OF Arizona } ss.
County of Pinal }

Acknowledgment
(Husband and Wife)

On this 16th day of March, A.D. 1987, personally appeared before me, a Notary Public,

Milton Bors and Anna M. Bors husband and wife, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the above instrument.

Witness my hand and notarial seal the day and year hereinabove written.

My Commission Expires May 24, 1987

Notary Public for the State of Arizona

My commission expires _____

Residing at Apache Junction

SEAL
Affixed

No. _____	OIL AND GAS LEASE	
FROM _____		
TO _____		
Date _____ 19____		
Section _____ Township _____ Range _____		
No. of Acres _____	County _____	Term _____
STATE OF _____	ss.	
County of _____		
This instrument was filed for record on the _____ day of _____ 19____ at _____ o'clock _____ M., and duly recorded in book _____ page _____ of the records of this office.		
By _____		
Record and Mail to: _____		

RECORDED AT REQUEST OF
Jerry Ryan
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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.H. REBALEAU, RECORDER
FILE NO. 107885
FEE \$ 7.00