



11. Lessee shall comply with all laws and regulations of any Governmental body purporting to exercise taxing authority over the lands covered by this lease or the person of the lessor herein and in so complying lessee shall not be responsible for determining the legality, validity or constitutionality of any such law or regulation enacted or passed by any such Governmental body. In determining the residence of lessor for purposes of complying with such laws or regulations of lessor may rely upon the address of lessor herein set forth or upon the last known address of lessor. Neither any error in the determination of the residence or status of lessor nor an error in the payment of any sums of money due or payable to lessor under the terms of this lease which is made during the course of compliance or as a result of lessor's good faith efforts to comply with any such laws or regulations shall terminate this lease or constitute grounds for any cause of action against lessor. All of lessor's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time to the extent that compliance with any thereof is prevented or hindered by or is in conflict with Federal, State, County, or municipal laws, rules, regulations or Executive Orders asserted as official by or under public authority claiming jurisdiction, or Act of God, adverse field, weather, or market conditions, inability to obtain materials in the open market or transportation thereof, war, strikes, lockouts, riots, or other conditions or circumstances not wholly controlled by lessee, and this lease shall not be terminated in whole or in part, nor lessee held liable in damages for failure to comply with any such obligations or covenants if compliance there- with is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lease shall be prevented from conducting drilling or reworking operations during the primary term of this lease, under the contingencies above stated, shall be added to the primary term of the lease; provided, however, that delay rentals as herein provided shall not be suspended by reason of the suspension of operations and if this lease is extended beyond the primary term above stated by reason of such suspension, lessee shall pay an annual delay rental on the anniversary dates hereof in the manner and in the amount above provided.

12. Should any person, firm or corporation have an interest in the above-described land not leased to lessee, or should any one or more of the parties named above as lessor not execute this lease, it shall nevertheless be binding upon the party or parties executing the same.

13. The undersigned lessors for themselves and their heirs, successors, and assigns, hereby expressly release and waive all rights under and by virtue of the homestead exemption laws of said state, insofar as the same may in any way affect the purposes for which this lease is made as recited herein.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

14. SEE EXHIBIT "A"

\_\_\_\_\_  
**JOHN V. DAMELE**  
 S.S. # \_\_\_\_\_  
*John V. Damele*

\_\_\_\_\_  
**ROBERTA M. DAMELE**  
 S.S. # \_\_\_\_\_  
*Roberta M. Damele*


**ACKNOWLEDGMENTS**

STAT  
 COUS  
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 Instru  
 My ec

STATE OF NEVADA  
 COUNTY OF Eureka

On April 7, 1988 personally appeared  
 before me, a notary public, John V. Damele,  
 who acknowledged that he executed the above instrument.


STAT  
 COUS  
 C  
 Instru  
 My ec

 **CAROLYN M. OLSEN**  
 Notary Public - State of Nevada  
 EUREKA COUNTY Nevada  
 Appointment Expires Feb. 11, 1991

*Carolyn M. Olsen*

STATE OF NEVADA  
 COUNTY OF Eureka

On April 7, 1988 personally appeared  
 before me, a notary public, Roberta M. Damele,  
 who acknowledged that she executed the above instrument.

 **CAROLYN M. OLSEN**  
 Notary Public - State of Nevada  
 EUREKA COUNTY Nevada  
 Appointment Expires Feb. 11, 1991

*Carolyn M. Olsen*

No. \_\_\_\_\_ Oil & \_\_\_\_\_  
 Dated \_\_\_\_\_ No. Acres \_\_\_\_\_  
 Term \_\_\_\_\_ This instrument \_\_\_\_\_  
 the \_\_\_\_\_ day \_\_\_\_\_ of \_\_\_\_\_  
 recorded in \_\_\_\_\_  
 records of the \_\_\_\_\_  
 By \_\_\_\_\_ W/in \_\_\_\_\_

STATE OF \_\_\_\_\_ }  
 COUNTY OF \_\_\_\_\_ }  
 On this \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_ before me, a Notary Public,  
 personally appeared \_\_\_\_\_  
 known to me to be the \_\_\_\_\_ of the Corporation that is described in and that executed the within instrument and  
 acknowledged to me that such Corporation executed the same.  
 My commission expires: \_\_\_\_\_  
 Notary Public

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF THAT CERTAIN OIL AND GAS LEASE DATED FEBRUARY 8, 1988, BETWEEN JOHN V. DAMELE AND ROBERTA M. DAMELE, LESSORS, AND HANAGAN PETROLEUM CORPORATION, LESSEE.

DESCRIPTION


TOWNSHIP 24 NORTH, RANGE 49 EAST  
SECTION 12: NE $\frac{1}{4}$ SE $\frac{1}{4}$

TOWNSHIP 24 NORTH, RANGE 50 EAST  
SECTION 2: LOT 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$   
SECTION 7: LOT 2

TOWNSHIP 25 NORTH, RANGE 50 EAST  
SECTION 24: SE $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$   
SECTION 25: S $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$   
SECTION 28: W $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$   
SECTION 32: SE $\frac{1}{4}$ NE $\frac{1}{4}$   
SECTION 33: NW $\frac{1}{4}$ NW $\frac{1}{4}$   
SECTION 35: E $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$   
SECTION 36: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$

TOWNSHIP 25 NORTH, RANGE 51 EAST  
SECTION 19: SE $\frac{1}{4}$ SW $\frac{1}{4}$   
SECTION 30: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , LOT 2, LOT 3  
SECTION 35: N $\frac{1}{2}$ NW $\frac{1}{4}$

14. Lessor hereby accepts as sufficient the bonus consideration given by lessee and agrees that no additional cash amount is required as bonus consideration for signing this lease. Lessee, however, agrees to pay lessor additional amounts in the event that lessee acquires additional leasehold interest in the lands described above from any other mineral owner within two (2) years from the date of this lease. The amount to be paid by lessee shall be equal to the difference between the per acre price paid to lessor herein for bonus consideration and the highest per acre price paid to any subsequent lessor times the number of gross acres leased from the subsequent lessor and proportionately reduced by the fractional interest lessor herein has in the subsequently leased tract.

*J.V.D.  
R.M.S.*  


RECORDED AT THE REQUEST OF  
BOOK 179 PAGE 066

'88 JUN 14 10:41  
Hanagan Petroleum  
OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
M.N. RECALLATI, RECORDER  
FILE NO. 119200 FEE \$ 7.00