

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 as 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 issued by any such Governmental body. In determining the residence of lessor for purposes of complying with such laws or regulations lessee 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 or as a result of lessee'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 lessee. All of lessor's obligations and covenants hereunder, whether express or implied, shall be suspended at the time or from time to time at 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 similar 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 therewith is prevented or hindered by or is in conflict with any of the foregoing eventualities. The time during which lessee shall be prevented from conducting the 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 lessors 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:

Charles Damele Jr. Patricia J. Damele
CHARLES DAMELE, JR. **PATRICIA J. DAMELE**
 S.S. # [redacted] S.S. # [redacted]

SEE EXHIBIT "A"

ACKNOWLEDGMENTS

STATE OF NEVADA
 COUNTY OF Elko
 On April 4, 1988 personally appeared
 before me, a notary public, Charles Damele Jr.
 who acknowledged that he executed the above instrument.

JENNIFER E. MAC DONALD
 Notary Public - State of Nevada
 Elko County Nevada
 My appointment expires April 12, 1988

Jennifer E. MacDonald

STATE OF NEVADA
 COUNTY OF Elko
 On April 4, 1988 personally appeared
 before me, a notary public, Patricia J. Damele
 who acknowledged that she executed the above instrument.

JENNIFER E. MAC DONALD
 Notary Public - State of Nevada
 Elko County Nevada
 My appointment expires April 12, 1988

Jennifer E. MacDonald

No. C Dated ... No. At ... Turn ... This in ... the ... recorded ... record ... By ...

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
CHARLES DAMELE, JR. AND PATRICIA J. 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.

RECORDED AT THE REQUEST OF
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'88 JUN 14 10:41
Hanagan Petroleum

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. REBALATI, RECORDER
FILE NO. 119202 FEE \$ 7.00

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P.D.
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