

provision is approved. Nothing herein contained shall authorize or effect any transfer of any title to any reserved, royalty or other interest unitized pursuant hereto. Lessee's obligation of such unit agreement shall be limited to its term and Lessee and their respective interests. Lessee, following such expiration, shall furnish Lessee with a copy of such unit agreement by mail to Lessee's last known address as shown by Lessee's records and shall give Lessee written notice of approval of the same in the same manner within a reasonable time after Lessee is notified of such approval.

Lessee shall have the right to use, free of cost, oil, gas and water produced on said land for its operations thereon except water from wells of Lessee. Lessee shall have the right at any time to remove all structures and fixtures placed on said premises, including the right to drain and remove casing. No part of the surface of the leased premises shall, without the written consent of Lessee, be let, granted or licensed to any other party for the location, construction or maintenance of structures, tanks, pits, reservoirs, equipment, or machinery to be used for the purpose of exploring, developing or operating oil, gas or other minerals.

Lessee shall bury below pipe depth its pipelines on the lowest premise when requested by a lessor owning an interest in the surface. No well shall be drilled nearer than 25 feet to any house or barn now on said premises without the written consent of the owner of the surface on which such house or barn is located. Lessee shall pay for damages to growing crops caused by its operations on said lands.

Lessee hereby warrants and agrees to defend the title to the lands herein described, but if the interest of lessor covered by this lease is expressly stated to be less than the entire fee or mineral estate, Lessee's warranty shall be limited to the interest so stated. Lessee may purchase or lease the rights of any party claiming any interest in said land and exercise such rights as may be obtained thereby, but Lessee shall not suffer any forfeiture nor incur any liability to refund the reason thereof. Lessee shall have the right at any time to pay for taxes, any mortgage taxes or other lien on said lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof, and any such payments made by Lessee for lessor may be deducted from any amounts of money which may become due lessor under this lease.

All express provisions and implied covenants of this lease shall be subject to all applicable laws, governmental orders, rules and regulations. This lease shall not be terminated in whole or in part, nor Lessee held liable in damages, because of a temporary cessation of production or of drilling operations due to breakdown of equipment or due to the repairing of a well or wells, or because of failure to comply with any of the express provisions or implied covenants of this lease if such failure is the result of the exercise of governmental authority, war, armed hostilities, lack of market, act of God, strike, civil disturbance, fire, explosion, flood or any other cause reasonably beyond the control of Lessee.

This lease and all provisions thereof shall be applicable to and binding upon the parties and their respective successors and assigns. Reference herein to lessor and Lessee shall include reference to their respective successors and assigns. 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.

IN WITNESS WHEREOF, this lease is executed as of the day and year first above written.

X John M. Filippini
John Filippini, also known as
John M. Filippini, individually

X John Filippini
John Filippini, also known as
John M. Filippini, Agent and
executive right holder on behalf
of the heirs of Dan Filippini, deceased

S.S. _____

STATE OF _____
COUNTY OF _____

SS.

(Individual-Corporation-Partnership-Recordal)

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

who duly acknowledged that _____ he _____ executed the above instrument.

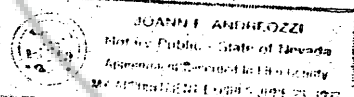
Notary Public

STATE OF NEVADA
COUNTY OF Clark

SS.

(Individual-Corporation-Partnership-Recordal)

On the 7th day of May, A.D. 19 89, personally appeared
before me, a Notary Public, John Filippini also known as John M. Filippini, individually and as
Agent and executive right holder on behalf of the heirs of Dan Filippini, deceased
who duly acknowledged that _____ he _____ executed the above instrument.



Joanne Amoreozzi
Notary Public

STATE OF _____
COUNTY OF _____

SS.

(Individual-Corporation-Partnership-Recordal)

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

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Lessee is hereby given the option to extend the primary term of this lease for an additional three (3) years from the expiration of the original primary term. This option may be exercised by Lessee at any time during the last year of the original primary term by paying the sum of 7.50 per net mineral acre to the parties entitled to delay rentals according to Lessee's records. This payment shall be based upon the number of net mineral acres then covered by this lease, and all of the provisions of this lease relating to the payment of delay rentals shall apply equally to this payment including, but not limited to, the provisions regarding changes in ownership. If, at the time this payment is made, various parties are entitled to specific amounts of the delay rental according to Lessee's records, this payment may be divided between said parties and paid in the same proportion. Should this option be exercised as herein provided, it shall be considered for all purposes as though this lease originally provided for a primary term of six (6) years, except that no delay rental payment shall be required to maintain this lease for the first twelve (12) months of the extended term. In the event this lease is being maintained by any provision hereof at the expiration of the original primary term, Lessee shall have a period of thirty (30) days from the date this lease ceases to be so maintained within which to exercise this option.

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RECORDED AT THE REQUEST OF

BOOK 200 PAGE 014

Exxon Company, U.S.A.

31 JUL 31 1947

OFFICIAL RECORDER
EUREKA COUNTY, CALIF. 20A
M.N. REG. & REC. DEPT.

FILE NO. FEE \$ 7.00

128633

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