

132-139
OIL AND GAS LEASE

003350

Producers 88-TK
Montana 1975

Billings Blue Print
Billings, Montana

May 2, 1990

THIS AGREEMENT is made and entered into as of
JOSEPH L. RAND and ELLEN M. RAND, husband and wife
Diamond Valley, Box 24
Eureka, Nevada 89316

THE GARY-WILLIAMS COMPANY
370 17th Street, Suite 5300, Denver, Colorado 80202

1. Lessor, for and in consideration of the sum of ten and more Dollars, the receipt of which is hereby acknowledged, and covenants and agreements herein contained, does grant, demise, lease and let exclusive unto Lessee for the purpose and with exclusive right of exploring, discovering and producing oil and gas and other hydrocarbon minerals and producing therefrom, oil, liquid hydrocarbons, all cases and their respective constituent products, with rights of use and easements for laying pipe lines, power lines, building tanks, power stations, ponds, roadways and structures thereon for producing, storing, treating and marketing the said products and any and all other acts and proceedings necessary or in so far as they may be required for the proper and complete production of oil and gas and other hydrocarbon minerals from the said land, and for doing all things necessary or in so far as they may be required for the proper and complete production of oil and gas and other hydrocarbon minerals from the said land, and for doing all things necessary or in so far as they may be required for the proper and complete production of oil and gas and other hydrocarbon minerals from the said land.

Township 30 North, Range 52 East, DDM
Section 16: SE 1/4 NW 1/4, SW 1/4
Section 20: All
Section 21: NW 1/4, W 1/2 SW 1/4
Section 28: S 1/2 SW 1/4
Section 29: NE 1/4 NW 1/4, NE 1/4 SE 1/4
Section 30: Lots 1, 2, 3, 4, E 1/2 W 1/2, E 1/4 (A11)

See Exhibit "A" attached hereto and by this reference made a part hereof.

five (5) 2019.38

For the purpose of determining the amount of any money payment hereunder, said land shall be considered to comprise ten (10) acres.

2. Subject to the other provisions herein contained, this lease shall be for a term of 30 years from the date hereof (said "primary term") and in well shall be deemed to be extended so long thereafter as production in paying quantities is obtained from the said land or so long as operations are being carried on for the purpose of obtaining such production.

3. If there is no production in paying quantities from the said land within a period of 60 days from the date hereof, then this lease shall nevertheless continue in full force and effect so long as operations are being carried on for the purpose of obtaining such production.

4. If operations for the drilling of a well for oil or gas are not commenced on said land on or before one year from the date hereof, this lease shall terminate, unless the Lessee shall on or before that date pay or tender to the Lessor the sum of \$10,000.

5. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

6. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

7. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

8. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

9. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

10. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

11. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

12. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

13. If the Lessee shall at any time fail to comply with the provisions of this lease, then this lease shall terminate.

Joseph L. Rand

Joseph L. Rand

Ellen M. Rand

Ellen M. Rand

Social Security # [redacted]

Social Security # [redacted]

ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF NEVADA }
COUNTY OF Clark } ss.

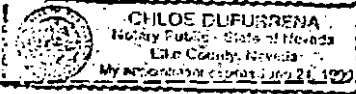
On this 16 day of July 19 90 before me personally appeared
Joseph L. Rand and Ellen M. Rand, husband and wife

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me
that he (she, they) executed the same.

Chloe Dufurrena
Notary Public

My commission expires:
June 21, 1990

Residing at Clark Nevada



ACKNOWLEDGMENT FOR INDIVIDUAL

STATE OF }
COUNTY OF } ss.

On this day of 19 before me personally appeared

known to me to be the person(s) described in and who executed the foregoing instrument, and who acknowledged to me
that he (she, they) executed the same.

Notary Public

My commission expires:

Residing at

ACKNOWLEDGMENT FOR CORPORATION

STATE OF }
COUNTY OF } ss.

On this day of 19 before me personally appeared

of known to me to be the
of the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

Notary Public

My commission expires:

Residing at

RECORDING DATA

EXHIBIT "A"

Attached hereto and by this reference made a part hereof that certain Oil and Gas Lease dated May 2, 1990, by and between JOSEPH L. RAND and ELLEN M. RAND, husband and wife, Lessors, and THE GARY-WILLIAMS COMPANY, Lessee.

- 1) Paragraph 3 of the lease is hereby amended to permit the shut-in of gas producing wells only for a period not to exceed five (5) years beyond the primary term, and the delay royalty per well shall be equal to the total annual rental reserved by the Lease.
- 2) Lessee has conducted its own title search and agrees to hold Lessor harmless from any title errors discoverable thereby.
- 3) Upon termination of this lease, Lessee shall, at its own expense, place a Release of Oil and Gas Lease of record in Eureka County, Nevada, releasing all claim to this Oil and Gas Lease. In the event Lessee fails to deliver said Release of Oil and Gas Lease, Lessee shall pay all costs, expenses, attorney fees, and other charges incurred by Lessor in removing the cloud created by Lessee's recording this lease or a memorandum thereof from the title to Lessor's estate.
- 4) Lessor hereby agrees that this lease may be extended for an additional five (5) years from the end of the initial primary term for the same bonus consideration initially paid. If the option to renew this lease is exercised, the bonus consideration will be placed into the depository bank herein named at or before the end of the first five-year term. The rental will then continue for the remaining term of the second five years at the rate stated herein.

SIGNED FOR IDENTIFICATION:

Joseph L. Rand
Joseph L. Rand

Ellen M. Rand
Ellen M. Rand

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 210 PAGE 569

Gary Williams
90 JUN-8 P200
Co.

EUREKA COUNTY, NEVADA
M.W. REGALATI, RECORDER
FILE NO. FEE \$

132-1359

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BOOK 210 PAGE 571