

132741

OIL AND GAS LEASE *mail*

AGREEMENT, Made and entered into the 22nd day of May, 1990, by and between

William A. Burum and Son, a California Co-Partnership

whose post office address Route 2, Box 361, Delano, CA 93215, hereinafter called Lessor (whether one or more) and Bird Oil Corporation whose post office address 1801 California St, Suite 4500, Denver, CO 80202

WITNESSETH, That the Lessor, for and in consideration of Ten and more (\$10.00) DOLLARS cash in hand paid, the receipt of which is hereby acknowledged, and the covenants and agreements hereinabove contained, has granted, demised, leased and let, and by these presents does grant, demise, lease and let exclusively unto the said Lessee, the land hereinabove described, with the exclusive right for the purpose of mining, exploring by geophysical and other methods, and operating for and producing therefrom oil and all gas of whatsoever nature or kind, with rights of way and easements for laying pipe lines, and erection of structures thereon to produce, save and take care of said products, all that certain tract of land situated in the County of Eureka

State of Nevada

described as follows, to-wit:

Township 27 North, Range 52 East, MDM
Section 11: NE $\frac{1}{4}$ SW $\frac{1}{4}$
Section 21: SE $\frac{1}{4}$ NE $\frac{1}{4}$

and containing 160.00 acres, more or less.

five

1. It is agreed that this lease shall remain in force for a term of 5 years from this date and as long thereafter as oil or gas of whatsoever nature or kind is produced from said leased premises or on acreage pooled therewith, or drilling operations are continued as hereinabove provided. If, at the expiration of the primary term of this lease, oil or gas is not being produced on the leased premises or on acreage pooled therewith but Lessee is then engaged in drilling or reworking operations thereon, then this lease shall continue in force so long as operations are being continuously prosecuted on the leased premises or on acreage pooled therewith; and operations shall be considered to be continuously prosecuted if not more than ninety (90) days shall elapse between the completion or abandonment of one well and the beginning of operations for the drilling of a subsequent well. If after discovery of oil or gas on said land or on acreage pooled therewith, the production thereof should cease from any cause after the primary term, this lease shall not terminate if Lessee commences additional drilling or reworking operations within ninety (90) days from the date of cessation of production until the date of completion of dry-hole. If oil or gas shall be discovered and produced as a result of such operations at or after the expiration of the primary term of this lease, this lease will continue in force so long as oil or gas is produced from the leased premises or on acreage pooled therewith.

2. This is a PAY-UP LEASE. In consideration of the down cash payment, Lessor agrees that Lessee shall not be obligated, except as otherwise provided herein, to commence or continue any operations during the primary term. Lessee may at any time or times during or after the primary term surrender this lease as to all or any portion of said land and as to any strata or stratum by delivery to Lessor or by filing for record a release or releases, and be relieved of all obligations thereafter accruing as to the acreage surrendered.

3. In consideration of the premises the said Lessor covenants and agrees:

(1). To deliver to the credit of Lessor free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all production of oil and gas from the leased premises, **or pay Lessor the market value at Lessee's option.**

(2). To pay Lessor one-eighth (1/8) of the gross proceeds from year to year, payable monthly, for the gas from each well where gas only is found, while the same is being sold off the permit, and if used in the manufacture of gasoline a royalty of one-eighth (1/8) of the monthly at the prevailing market rate for gas.

(3). To pay Lessor for gas produced from any oil well and ward off the premises or in the manufacture of gasoline or any other product a royalty of one-eighth (1/8) of the proceeds, at the mouth of the well, payable monthly at the prevailing market rate.

4. Where gas from a well capable of producing gas is not sold or used, Lessor may pay or tender at rentals to the royalty owners One Dollar per year per net royalty acre retained by Lessor, such payment or tender to be made on or before the anniversary date of this lease next ensuing after the expiration of 90 days from the date such well is shut in and thereafter on or before the anniversary date of this lease during the period such well is shut in. If such payment or tender is made, it will be considered that gas is being produced within the meaning of this lease.

If Lessor retains a less interest in the above described land than the entire undivided fee simple estate therein, then the royalties including any shut-in gas royalty herein provided for shall be paid the lessor only in the proportion which Lessor's interest bears to the whole undivided fee.

5. Lessor shall have the right to use, free of cost, gas, oil and water produced on said land for Lessee's operation thereon, except water from the wells of Lessor.

6. When requested by Lessor, Lessee shall bury Lessor's pipeline below plow depth.

7. No well shall be drilled after 200 feet in the bottom of barn now on said premises without written consent of Lessor.

8. Lessor shall pay for damages caused by Lessee's operations to growing crops on said land.

9. Lessee shall have the right, at any time, to joint all machinery and fixtures placed on said premises, including the right to draw and remove the same.

10. The rights of Lessor and Lessee herin, in whole or part, no change in ownership of Lessor's interest by assignment, sale or otherwise, shall be binding on hermiterless Lessor has been furnished with notice, consisting of certified copies of all previous instruments, documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessor. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessor, and all Lessor's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no household owner shall be liable for any act or omission of any other household owner.

11. The rights of Lessor and Lessee herin, in whole or part, no change in ownership of Lessor's interest by assignment, sale or otherwise, shall be binding on hermiterless Lessor has been furnished with notice, consisting of certified copies of all previous instruments, documents and other information necessary to establish a complete chain of record title from Lessor, and then only with respect to payments thereafter made. No other kind of notice, whether actual or constructive, shall be binding on Lessor. No present or future division of Lessor's ownership as to different portions or parcels of said land shall operate to enlarge the obligations or diminish the rights of Lessor, and all Lessor's operations may be conducted without regard to any such division. If all or any part of this lease is assigned, no household owner shall be liable for any act or omission of any other household owner.

12. Lessor, at its option, is hereby given the right and power at any time and from time to time, as a recurring right, either before or after production of oil and gas, at any place on the land described herein and at any one or more of the formations heretofore, to pool or unitize the leased land and the mineral estate and the mineral estate covered by this lease, and to drill and operate wells on the leased land for the production of oil and gas, or separately for the production of either, when in Lessor's judgment it is necessary or advisable to do so, and any interest in the land so pooled or unitized to this lease with respect to such other land, leases or leases, Lessor, units previously formed to include formations not producing oil or gas, may be referred to exclude such non-producing formations. The forming or reforming of any unit shall be accomplished by Lessor executing and filing of record a declaration of such unitization or reformation, which declaration shall describe the unit. Any unit may include land upon which a well has theretofore been completed or upon which operations for drilling have theretofore been commenced. Production, drilling or reworking operations on a well or on land for want of a market anywhere on a unit which includes all or a part of this lease shall be treated as if it were production, drilling or reworking operations in a well that is in want of a market under this lease. In lieu of the unitization described herein, provided that it is believed that it would be preferable, the unit production that the total number of surface acres covered by this lease and included in the unit bears to the total number of surface acres covered by this lease, less the number of surface acres covered by this lease, plus or combine all or any part of the above described lands as one or more of the formations heretofore, 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 in conformance 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 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 above described lands 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 of all lands and particularly of any land, for the purpose of computing the royalties to be paid heretoever to Lessor, shall be regarded as having been produced from the particular tract of land, which is allotted, and not from the entire tract of land, and the royalty payments to be made heretoever to Lessor shall be based upon production from the particular tract of land as so allotted. Lessor shall promptly advise Lessor's agent or any governmental authority executing the same or any other governmental authority, of any change in the unitization or unit plan of development or operation adopted by Lessor.

13. All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated in whole or in part, nor Lessor held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of, any such Law, Order, Rule or Regulation.

14. Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the Lessor shall have the right at any time to redeem for Lessor, by payment, any mortgages, taxes or other liens on the above described lands, as the event of default of payment by Lessor and be subordinated to the rights of the holder thereof, and the undersigned Lessor, for themselves and their heirs, successors and assigns, hereby warrants and agrees to hold all right of dower and homestead in the premises described herein, as well as said right of dower and homestead may in any way affect the interests for whom this lease is made, as recorded hereon.

15. Should one or more of the parties to this lease die, the surviving party or parties shall be bound upon all such parties who do survive it as Lessor. The word "Lessor," as used in this lease, shall mean any one or more of all the parties who execute this lease as Lessor. After termination of this lease shall be binding on the heirs, successors and assigns of Lessor and Lessee.

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

William A. Burum
William A. Burum, Co-Partner in
William A. Burum and Son,
a California Co-Partnership

William A. Burum
William A. Burum

ID: [redacted]

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STATE OF California
COUNTY OF Kern

Nevada
Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah,
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT—INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd
day of May, 1990, personally appeared William A. Burum,
William A. Burum, individually and as Co-Partner in William A. Burum and Son,
and a California Co-Partnership.

, to me known to be the identical person _____ described in and who executed the within and foregoing instrument of writing and acknowledged to me that he _____ duly executed the same as his _____ free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.
My Commission Expires May 15, 2024 *Mary Ellen Morris*

Address: 700 Cherry Hill,
Bakersfield, CA 93309

STATE OF California
COUNTY OF Kern

Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah
Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT—INDIVIDUAL

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 22nd

day of May, 1990, personally appeared,

William A. Burm

• 10 •

, to me known to be the identical person , described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

[REDACTED] IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.
My Commission Expires **[REDACTED]** **OFFICIAL SEAL** **[REDACTED]**



Address: 1012 Jefferson St. Delano, Ca. 93215

STATE OF California
COUNTY OF Kern

ACKNOWLEDGEMENT for use by Contractors

On this 22nd day of May, A.D. 1990, before me personally appeared William A. Brown, to me personally known, who, being by me duly sworn, did say that he is the person of record.

and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said *William A. Bureau* acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this	
(SEAL)	
My Commission	Expires Oct. 31, 1982

Address: 700 Cherry Hill Dr.
Bethelwood CA 93309

No. _____	FROM _____	TO _____	Date _____ 19 _____	County _____
			Deed _____	
			No. Acres _____	
			Term _____	
This instrument was filed for record on the _____ day of _____, 19 _____. At _____ o'clock _____ M., and duly recorded in column _____ page _____ of the records of this office.				
			County Clerk _____	Deputy _____
When recorded return to _____				

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
BOOK 211 PAGE 336
30 JUN 6 ADO 53

EUREKA COUNTY, NEVADA
MIN. REBALLET, PEGGY
FILE NO. 132741 FEES, \$1.00

132741

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