

137762

OIL AND GAS LEASE

AGREEMENT, made and entered into this 10th day of April 19 91 by and between Dominek J. Pieretti, a married man dealing in his sole and separate property, and Tosca P. Sullivan, a widow, P.O. Box 667, Carlin, NV 89822 party of the first part, hereinafter called lessor (whether one or more) and Anadarko Petroleum Corporation, Houston, TX party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of ten (10) and more DOLLARS cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, including the operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, pumps, stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights and after acquired interest therein, situated in the County of Elko, State of Nevada described as follows, to wit: Township 29 North, Range 52 East, M.D.M. Section 8: SE/4, Section 9: SW/4, Section 16: W/2, Section 17: NE/4, Section 21: NW/4

It is agreed that this lease shall remain in force for a term of three (3) years from date (herein called primary term) and as long thereafter as oil or gas, or either of them is produced from said land by the lessee.

- 1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells, the proceeds of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.
2nd. To pay lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, at the actual amount received by the lessee, said payments to be made monthly.
3rd. To pay lessor for gas produced from any oil well and used off the premises, or for the manufacture of casing head gasoline or dry commercial gas, at the mouth of the well, received by the gas during the time such gas shall be used, said payments to be made monthly.

Elko, Nevada or any successor bank, the sum of nine hundred sixty and no/100 Dollars, (\$ 960.00), hereinafter called "rental" which shall extend for twelve months the time within which drilling operations may be commenced. Thereafter, annually, in like manner and upon the same terms, shall be made by check or draft of lessee delivered or mailed to the authorized depository bank or lessor (at address last known to lessor) on or before such date for payment, and the payment or tender with be deemed made when the check or draft is so delivered or mailed.

If prior to discovery of oil or gas on said land, or on acreage pooled therewith, lessee should drill a dry hole or holes thereon, or if after discovery of oil or gas production thereafter should cease due to causes other than lack of market for gas and gas is not being sold or used, this lease shall not terminate if lessee commences additional drilling or reworking operations within one hundred twenty (120) days thereafter, or if it be within the primary term's continuance or resumes the payment or tender of rental on or before the rental paying date or at ensuing after the expiration of four (4) months from the date of completion of a dry hole or cessation of production. If at the expiration of the primary term of this lease, oil or gas is not capable of being produced on or from said land or said pooled premises, but lessee is engaged in drilling or reworking operations thereon, then this lease shall continue in force so long thereafter as drilling or reworking operations are being continuously prosecuted on said land or on a drilling or development or operating unit which includes all or part of said land, and drilling or reworking operations shall be considered to be continuously prosecuted if not more than one hundred twenty (120) days from the date of commencement or abandonment of one well and the beginning of operations for the drilling or reworking of another well.

Lessee is hereby granted the right at any time and from time to time to utilize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 40 acres, or for the production primarily of gas with or without distillate more than 640 acres, provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in originally leased and then actually produced by this lease shall be counted. In respect to production from the unit, or its royalty interest therein on an acreage basis bears to the total acreage in the unit. If said lessor owns a less interest in the above described land than the entire and undivided fee, however, such rental shall be increased at the next succeeding rental anniversary after any reversion or acquisition occurs to cover the interest so acquired.

See Exhibit "A" attached hereto.

IN TESTIMONY WHEREOF, we sign this 10th day of April 19 91
Tosca P. Sullivan
SS#
Dominek J. Pieretti
SS#

STATE OF WYOMING
COUNTY OF NATRONA } ss.

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 3rd
day of May, 19 91, personally appeared TOSCA P. SULLIVAN

and _____, 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 she duly executed the same as H/T 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 April 28, 1994
Carol J. Strohacker Notary Public.
Address: Box 1082 - Canyon, Wyo 82602

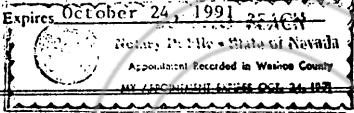
STATE OF Nevada
COUNTY OF Washoe } ss.

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 9th
day of May, 19 91, personally appeared Dominek J. Pieretti

and _____, 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 October 24, 1991
Carol J. Strohacker Notary Public.
Address: 1761 So. Va. St., Reno, NV



STATE OF _____ } ss.
COUNTY OF _____

ACKNOWLEDGMENT (For use by Corporation)

On this _____ day of _____, A.D. 19____, before me personally
appeared _____, to me personally known, who, being by
me duly sworn, did say that he is the _____ of _____
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
_____ acknowledged said instrument to be free act and deed of said corporation.

Witness my hand and seal this _____ day of _____, A.D. 19____.

Notary Public.

(SEAL)
My Commission expires _____

Address: _____

No. _____	FROM	TO	Dated _____, 19____	No. Acres _____	County _____	Term _____	This instrument was filed for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and duly recorded in Volume _____ Page _____ of the records of this office.	County Clerks _____	Deputy _____	When recorded return to _____
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EXHIBIT "A"

ATTACHED TO and made a part of that certain Oil and Gas Lease dated April 10, 1991, by and between Dominek J. Pieretti, a married man dealing in his sole and separate property, and Tosca P. Sullivan, a widow, as Lessor, and Anadarko Petroleum Corporation, as Lessee.

1. This Lease is expressly limited to oil, gas and hydrocarbon substances recoverable in solution with oil or gas and recoverable only through a well bore. This lease expressly does not include coal, shale, lignite, minerals, geothermal steam, hot water, hot brines, thermal energy, gases (except oil, gas, and said hydrocarbon substances) or minerals in solution in water or steam or recoverable in connection therewith through a well bore, and Lessor expressly reserves the right to sell, lease, mine, drill or otherwise transfer, dispose of, recover and market all minerals, coal, shale, lignite, geothermal steam, hot water, hot brines, thermal energy, gases (other than oil, gas, and hydrocarbon substances included in this lease) and minerals or solutions. These rights and estates reserved shall include the use of the surface as necessary to investigate, explore, market, process or produce on the land and sell the substances herein reserved.
2. The parties hereby agree that the rights reserved by the Lessor in paragraph 1 will not interfere with any operations while a well is being drilled, or with any producing wells or associated facilities on the lease which are necessary to maintain prudent operations.
3. Within six months following the abandonment of any well drilled on the leased premises by Lessee or within six (6) months following the conclusion of any other activity on the leased premises by Lessee, Lessee agrees to restore the surface of the land so disturbed as nearly as reasonably possible to its condition prior to entry by Lessee. Said restoration shall include the releveling of the land to allow the lands to be irrigated in the same manner and to the same extent as it was irrigated prior to Lessee's activities. Lessee shall pay Lessor fair market value of any crop damaged or destroyed by Lessee. Lessee shall fill all abandoned sump holes and excavations made by Lessee; remove derricks, tanks, tank supports and other structures and property of Lessee thereon; remove all cement blocks, foundations and footings which have been placed on the leased premises and any and all other supports placed by Lessee on said leased premises; replant any lands disturbed by Lessee to the forage or crops which were growing thereon before Lessee's use; and repair and restore all ditches, fences and other improvements on the lands in any way disturbed by Lessee to their condition prior to Lessee's disturbance.
4. Notwithstanding any provision of the printed lease to the contrary, the location of all structures, buildings, camps, equipment, fences, facilities, transmission lines, power lines, pipelines, utility lines, ditches, drains, culverts, gates, ponds, roads, poles, pipes, and other improvements, except for drill sites and well sites and the material, equipment and supplies appurtenant thereto, used, constructed or placed on the leased premises shall be approved by Lessor prior to commencing such construction, placement or use. Lessor agrees not to unreasonably withhold such approval.
5. Any long term storage on the Lessor's property of vehicles, materials and other property of Lessee shall be done only upon such locations as are approved in advance by Lessor. Lessor shall not unreasonably withhold such approval.

6. Lessee shall keep the Lessor's property free and clear of all rubbish, garbage, litter and abandoned items or property brought to or placed upon the Lessor's property by Lessee or any of Lessee's agents, employees, contractors, sub-contractors or assigns.

7. Lessee shall promptly repair all damage to fences, gates and cattle guards on the leased premises caused by the Lessee.

8. Lessee agrees that it shall, if requested by the Lessor, fence off any of Lessee's facilities, storage areas, drill sites, sumps, ditches, camps, housing areas, or other structures or developments on the leased lands with a livestock fence materially consistent with the existing fences on the lands with such gates and cattle guards as Lessor shall specify. The Lessor shall designate the area which shall be no more than reasonably necessary to protect Lessor's livestock from Lessee's activities. Construction of these facilities shall be completed by Lessee within sixty (60) days after Lessor's request, subject to weather and availability of labor and materials.

9. Lessor agrees to allow Lessee to use a reasonable amount of Lessor's water for drilling operations on the lease. Otherwise, Lessee agrees that it shall not attempt to use, apply for or appropriate any waters or water rights which would conflict with the Lessor's water rights or in any way diminish Lessor's present water rights or reduce any ground water that may hereafter be available to Lessor for reasonable development and appropriation for domestic, irrigation or stockwater use. Lessee shall use its best efforts not to pollute any ground or surface water usable or being used by the Lessor or any other persons using the same water sources. It is the intention of Lessee to cause as little damage or interference as possible to Lessor's irrigation system including the ditches and wells.

10. Lessee agrees to indemnify and hold harmless Lessor from and against any and all claims, suits damages, costs, losses, liability and expenses arising or growing out of injuries to or death of persons or loss of or damage to property or loss or pollution of water or water zones in any manner directly or indirectly resulting from or caused by operations under this lease on the leased premises, or facilities, pipelines, utility lines, power lines, transmission lines, hot water, steam, gas derricks, tanks or appurtenances thereof, or other items used or placed on the lands by Lessee or resulting from Lessee's use, occupancy of or activities on the lands.

11. At the expiration or termination of this lease, Lessee shall, at the request of Lessor, execute a release of oil and gas lease and place the same in the Eureka County Recorder's Office and provide Lessor with the recorded release.

12. One (1) year after the date of rig release from any well drilled on the leased premises should Lessor so request, Lessee shall provide Lessor with one copy of the electric logs, drillstem test reports, well history, core analysis and daily drilling reports obtained from said well. Lessor agrees to keep such information and materials confidential. The information is provided to Lessor for their exclusive use and shall remain the property of Lessee for a period of ten (10) years from the date of receipt by Lessor. During said ten year period Lessor shall not divulge the information to any third party without prior written consent by Lessee.

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13. In the event of production of oil and/or gas on the leased premises, Lessee agrees that the royalty, including shut-in royalty, paid to Lessor shall be equal to not less than ten dollars (\$10.00) per acre per year.

14. In the event Lessee completes a well capable of producing gas only on the leased premises, Lessee shall have fifteen (15) years from the end of the primary term or the date of completion of the well, whichever is later, within which to connect the well to a gas pipeline. At the end of the said fifteen year period should the well not be connected to a pipeline or should there exist no other production on the leased premises, or lands unitized therewith, this lease shall terminate.

15. Upon the violation by Lessee of any other terms, covenants or condition of this lease, and the failure of Lessee to remedy the default within sixty (60) days after Lessee's receipt of written notice from Lessor specifying the default, then, at the option of Lessor, this lease shall forthwith cease and terminate and all rights of Lessee in and to said land shall be at an end as to all said lands, except that Lessee shall have the right to retain and hold under this lease the spacing unit for each well producing or being drilled and any such well contained therein and all the working interest production therefrom with respect to which it is not in default, subject to payment of all royalties, rentals and other sums herein provided. The waiver by Lessor of any breach of any covenant hereof shall not be a waiver of any other or subsequent breach hereof, nor of any other covenant or condition hereof. However, the terms of this paragraph shall not apply in the event Lessee is unable to meet the terms, covenants or conditions of this lease due to an act of God, strike, lockout, or other industrial disturbance, act of the public enemy, war, blockade, public riot, lightning, fire, storm, flood, explosion, governmental action, governmental delay, restraint or inaction, unavailability of equipment, or legitimate dispute and any other cause, whether or not specifically enumerated above which is not reasonably within the control of Lessee.

16. Lessor agrees to warrant and defend title to the premises leased hereby against the claim of every person and other entity claiming by, through or under Lessor, but not otherwise.

17. The term "drilling operations" as used in this lease shall mean the commencement of actual drilling operations and operations subsequent thereto.

18. If the terms of this Exhibit A conflict with the terms of the lease form, then the terms of this Exhibit A shall control.

SIGNED FOR IDENTIFICATION


Dominek J. Pieretti


Tosca P. Sullivan

exa.tl

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OFFICIAL RECORDS SECTION
RECORDED AT THE REQUEST OF
Dorothy P. Sullivan
91 SEP 11 P2:00
EUREKA COUNTY RECORDER
M.H. REBILLEN
FILE NO. 137762
FEE \$1000

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