

176888**MEMORANDUM OF OIL AND GAS LEASE**

STATE OF NEVADA §
 COUNTY OF EUREKA §

THIS MEMORANDUM of Oil and Gas Lease, by and between **BLACK STONE MINERALS COMPANY, L.P.**, a Delaware limited partnership, whose address is 1001 Fannin, Suite 2020, Houston, Texas 77002-6709, hereinafter called "Lessor", and **D.Y. EXPLORATION, INC.** whose address is 4414 S. Gekeler Lane, Boise, Idaho 83705, hereinafter called "Lessee."

WITNESSETH That Lessor, for a valuable consideration and in consideration of the covenants of a Lessee set forth in that certain Oil and Gas Lease made and entered into this 31st day of March, 2001, by and between the parties hereto, does hereby grant, lease and let to Lessee, the right to explore, drill for and to produce, extract, take and remove all oil and gas hereinafter sometimes referred to as "substances", contained in the Lands, to store said substances upon the Lands, to locate, erect, construct, maintain, replace and operate on the Lands, such facilities and structures as may be necessary in the production, treatment, storage or transportation of said substances from the Lands, more particularly described as follows:

<u>Township 28 North, Range 51 East, MDM</u>	<u>Acres</u>
Section 1: Ls 1, 2, 5, 6, 7; SW/4NE/4; W/2SE/4	272.38
<u>Township 28 North, Range 52 East, MDM</u>	
Section 5: Ls 1, 2, 3, 4; S/2N/2; S/2	639.97
Section 7: Ls 1, 2, 3, 4; E/2W/2; E/2	626.13
<u>Township 29 North, Range 51 East, MDM</u>	
Section 25: E	320.00
<u>Township 29 North, Range 52 East, MDM</u>	
Section 29: A	640.00
Section 31: Ls 1, 2, 3, 4; E/2W/2; E/2	624.66

containing 3,114 gross acres, more or less, Eureka County, Nevada.

The said Oil and Gas Lease is for a term commencing from and after the above date of March 31, 2001 until August 2, 2006 (Primary Term), and so long thereafter as oil and/or gas is being produced in paying quantities from the Lands, or so long thereafter as drilling, deepening or working operations for the production of oil or gas are being conducted hereon, as herein provided.

Reference is hereby made to executed copies of said Oil and Gas Lease in possession of Lessor and Lessee, respectively, for all of the provisions thereof, and by this reference same are incorporated herein and made a part hereof in all respects as though fully set forth herein.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Oil and Gas Lease to be executed this 31st day of March, 2001.

LESSOR:**BLACK STONE MINERALS COMPANY, L.P.**

By: Michael M. Ellis
 Michael M. Ellis
 Vice President

LESSEE:**D.Y. EXPLORATION, INC.**

By: Mark Krapp
 Title: Treasurer

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

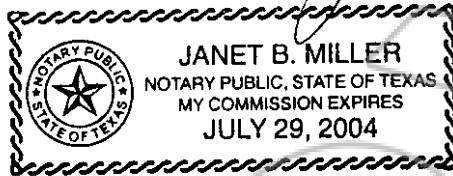
This instrument was acknowledged before me this 31st day of March, 2001, by Michael M. Ellis, as the President of **BLACK STONE MINERALS COMPANY, L.P.**, a Delaware limited partnership, on behalf of said partnership.

Given under hand and seal of office this 31st day of March, 2001.

Janet B. Miller
Notary Public in and for the State of Texas

My Commission Expires:

July 29, 2004



STATE OF IDAHO
COUNTY OF ADA

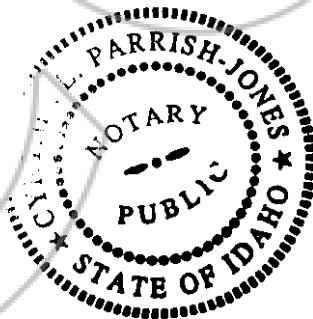
The above anoregoing instrument was acknowledged before me on this 30th day of April, 2001, personally appeared Dick Knapp, known to me to be the person whose name subscribed to the foregoing instrument, as Treasurer of **D.Y. EXPLORATION, INC** a Treasury corporation, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity stated, and as the act and deed of said corporation.

Given under hand and seal of office this 30th day of April, 2001.

Cynthia Parrish-Jones
Notary Public in and for the State of IDAHO

My Commission Expires:

7-25-03



BOOK 343 PAGE 163
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
D.Y. Exploration, Inc
01 SEP 14 PM 1:52

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 8.00