

AMENDMENT TO OIL AND GAS LEASE

This Agreement, dated the 13 day of Oct, 2001 is entered into by and between Sestovich Ranches (formerly Tony Sestanovich and Lorraine Sestanovich, husband and wife), C. 65, Box 45, Carlin, NV 89822, hereinafter referred to as "Lessor", and Cleary Petroleum Corporation, (formerly Cleary Exploration LLC), hereinafter referred to as "Lessee".

WITNESSETH:

WHEREAS, Lessor and Lessee entered into an Oil and Gas Lease on the 1st day of July, 1997, said lease being recorded in Book 312, Page 399 of the county records of Eureka Co., Nevada, covering the following described lands:

Township 27 North, Range 52 East

- Sec. 8: 2 NE
- Sec. 9: W NW, E2 SW
- Sec. 10: W SE, SE SW
- Sec. 11: W NW
- Sec. 15: W NE, SW NW, N2 SW, S2 SE
- Sec. 22: 2 NE
- Sec. 23: 2 NE, E2 NW, NW NW, NE SW

containing together 8 acres, reference being made to said recorded Lease for all terms and conditions.

AND WHEREAS, it is the mutual desire of Lessor and Lessee to amend certain terms of said Lease as hereinafter provided:

NOW, THEREFORE, for and in consideration of the mutual benefits derived, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. The Delay Rental Clause of the above described Oil and Gas Lease reads, in part, as follows:

If drilling operations or mining operations are not commenced on the leased premises on or before one year from this date, this lease shall then terminate as to both parties unless Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in Great In Bank at Elko, NV. or any successor bank, the sum of Thirteen Thousand Two Hundred & 00/100 Dollars (\$13,200.00).....

Lessor and Lessee wish to amend the Delay Rental Clause to read as follows:

If drilling operations or mining operations are not commenced on the leased premises on or before one year from this date, this lease shall then terminate as to both parties unless Lessee on or before the expiration of said period shall pay or tender to Lessor, or to the credit of Lessor in Great In Bank at Elko, NV. or any successor bank, the sum of Four Thousand Four Hundred & 00/100 Dollars (\$4,400.00).....

2. Paragraph 1. exhibit "A" of the above described Oil and Gas Lease reads as follows:

Lessee agrees to pay for a permit to drill a water well with the State Engineer and, if granted, to drill a water well on the above described land, at a location of Lessor's choice. Once drilled and used for the initial oil and gas well, the water well will be conveyed to Lessor. As part of consideration for drilling the water well, Lessor agrees to sell Lessee water from said water well to drill subsequent oil and gas wells at a price of \$500.00 per well. Lessee agrees to pay the water at its own expense.

BOOK 344 PAGE 548
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Clary Petroleum
01 NOV 16 PM 1:59

EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 16⁰⁰

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