

181478

Form 98-5000 (Post Publishing) Oklahoma City, OK 73112
Mailing Address: 2601 N.W. Expressway, Suite 801NW, Oklahoma City, OK 73112

**OIL AND GAS LEASE
(PAID UP)**

AGREEMENT Made and entered into the 10th day of January, 2003 by and between Richard Clarkson, an unincorporated man dealing in his separate property, 5348 W. Hanna Ave., Indianapolis, IN 46241, party of the first part hereinafter called Lessor (whether one or more) and Clean Petroleum Corporation, party of the second part, hereinafter called lessee.

WITNESSETH That the said lessor for and in consideration of **Ten and More** DOLLARS cash in hand paid receipt of which is hereby acknowledged and of the covenants and agreements herein contained on the part of lessee to be paid and kept and performed has granted demised and let and by these presents does grant demise lease and let unto the said lessee for the purpose of investigating exploring prospecting drilling and operating for and producing oil and gas of whatsoever nature or kind including all associated hydrocarbons produced in a liquid or gaseous form also including sulphur produced in association with oil or gas heretofore including all collectively referred to as oil and gas injecting gas waters other fluids and other gaseous substances into subsurface strata laying pipelines storing oil building tanks power stations telephone lines and other structures and things thereon to produce save to take care of treat process store and transport said oil and gas and other products manufactured therefrom the following described land together with any reversionary rights and after-acquired interest thereof situated in the County of Lincoln, State of Nevada to wit:

Section 15 S/2 SE/4
Section 22 N/2 NE/

Section 22 N/2 NE/4
Section 23 W/2 NE/4

Section 23 W/2 NE $\frac{1}{4}$ E/2 NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$

of Section xxxx Township 27 North Range 52 East and containing 400 acres more or less.

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 lessor.

In consideration of the premises the said lessee covenants and agrees:

¹ To deliver to the credit of lessor free of cost in the pipe line to which it may connect its well, the one-eighth (1/8) part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

² To pay lessor for gas of whatever 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, one eighth (1/8) of the gross proceeds received for the gas sold, used off the premises, or in the manufacture of products therefrom, but in no event more than one-ninth (1/9) of the actual amount received by the lessee said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or gas, an oil and leased premises holder shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made on or before the anniversary date of this lease during the period such well is shut in to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

leaving, if lessee shall, on or before any shut-in period, make a bona fide attempt to pay or deposit a shut-in payment to a royalty owner entitled thereto under this lease according to lessor's records. At the time of such payment and if such payment or deposit shall be erroneous in any regard, lessor shall be obligated to pay to such royalty owner the shut-in payment properly payable for the period involved, but the lease shall be maintained in the same manner as if such erroneous payment or deposit had been properly made provided that lessee shall correct such erroneous payment within thirty (30) days following receipt by lessor of written notice from such royalty owner of the error accompanied by any documents and other evidence necessary to enable lessor to make proper payment.

~~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 one-eighth (1/8) of the gross proceeds at the mouth of the well received by lessee for the gas during the time such gas shall be used said payments to be made monthly~~

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the terms of this lease or any extension thereof or on acreage pooled therewith the lessor shall have the right to drill such well to completion or complete reworking operations, with reasonable diligence and dispatch and if oil or gas or either of them is found in paying quantities this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned. Drilling operation or mining operations shall be deemed to be commenced whenever the first material is placed on the leased premises or when the first work other than surveying or staking the location is done thereon which is necessary for such operations.

for such operations.

Lessor I 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 encompass more than 40 acres or for the production primarily of gas with or without distillate more than 6-0 acres provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allotment based on acreage per well then I, lessor, may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allotments. Lease shall be divided into units designations in the county in which the leased premises are located. Operations upon and production from the unit shall be called as 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 the lease except that the royalty on production from the unit shall be as below provided and except that in calculating the amount of any shut in gas royalties only that part of the acreage originally leased and then actually or stated by this lease shall be counted. In respect to production from the unit Lessee shall pay Lessor in lieu of other royalties thereon only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit or his royalty interest in the unit 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 undivided fee simple estate, then whether stated hereinabove as whole or partial interest, then the royalties herein provided shall be paid to the lessor only in the proportion which his interest bears to the whole undivided fee.

Lessor: Lessee shall have the right to use free of cost, gas oil and water produced on said land for its operations thereon except water from wells of
When requested by the lessor, lessee shall bury his pipelines below plow depth.
No well shall be drilled nearer than 200 feet to the house or barn now or said premises without the written consent of the lessor.
Lessee shall pay for all damage caused by its operations to growing crops on said land.
Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove

Any structures and facilities placed on the leased premises by lessee for operations hereunder and any wells or wells on the leased premises drilled or used for the injection of salt water or other fluids into, or to be used for lessee's oil and gas production purposes, all having the right to drill and follow

If the estate of either party hereto or his/her/its assigns or lessees shall die or become incapacitated, the rights and obligations of such estate, assignee or lessee shall be binding upon the surviving members of the estate, assignee or lessee.

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

This lease shall be effective as to each lessee on execution hereof, to his or her interest and shall be binding on their signing, notwithstanding some of the lessors above named may not join in the execution hereof. The word "lessee" is used in this lease means the party or parties who enter into this lease as lessee, although not named above.

Lessor may at any time and from time to time substitute this lease to any, part or parts of the leased premises by delivering or mailing a release thereof to Tenant or by placing a release record in the Clerk's Court.

IN TESTIMONY WHEREOF we have hereunto set our hands this 28th day of May, A.D. 1902.

** Richard Clark*

SSN

ACKNOWLEDGEMENT

STATE OF Florida
COUNTY OF Jefferson

This instrument was acknowledged before me on the 28th day of January, 2003
by Richard Clarkson

Tammy A Auxier
Notary Public
Tammy A Auxier

My commission expires 11-8-9

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003
by _____

Notary Public

My commission expires _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003
by _____

Notary Public

My commission expires _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003
by _____

Notary Public

My commission expires _____

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003
by _____

Notary Public

My commission expires _____

CORPORATE ACKNOWLEDGEMENT

STATE OF _____
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2003
by _____ is _____ of _____

Notary Public

My commission expires _____

BOOK 359 PAGE 386
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Elara Petroleum
2003 MAR 25 PM 1:53

EUREKA COUNTY NEVADA
M. N. REBALLETI, RECORDER
FILED *EEES/6 00*

181478

