

181479

Form 89-510 (Prod. No. 94) 8-87-10  
Mailing Address: 2601 N.W. Expressway, Suite 801W, Oklahoma City, OK 73112

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

AGREEMENT made and entered into the 10th day of January, 2003, by and between M. Yvonne Atkins, a married woman dealing in her separate property, 124 Meadow Lane, North Vernon, IN 47265, party of the first part, hereinafter called Lessor (with that one or more) and Clancy Petroleum Corporation, party of the second part, hereinafter called Lessee.

WITNESSETH That the said lessee has paid in consideration of cash in hand paid receipt of which is hereby acknowledged and is kept and preserved has granted during the term in these presents and at all times during the same and for ever to the purveyor of investigating, exploring, prospecting, drilling, and operating for and producing oil and gas of whatever nature or kind included all as located hydrocarbons produced in a liquid or gaseous form and including sulphur produced in association with oil or gas, the smaller quantities collectively referred to as oil and gas, including gas wells, oil wells, tanks, and other structures and other gaseous substances as to which are straw drying properties, oil building tanks, power stations, telephone lines and other structures and things thereon to produce same, take care of treat process same and transport said oil and gas, and other products manufactured thereon, the following described land together with all my heretofore rights and also acquired interest therein situated in the County of Lincoln State of Nevada to wit:

Section 15 S/2 SE/4  
Section 22 N/2 NE/4  
Section 23 W/2 NE/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 period of Five (5) years from date (herein called primary term) and as long thereafter as

In consideration of the premises the said lessee concedes and agrees

In consideration of the premises the said lessee has promised and agreed:  
1<sup>st</sup> To deliver to the credit of lessor 1/8 of oil or gas produced which it may connect as well as the one-eighth (1/8) part of all oil (including but not limited to condensate and dissolved) produced and saved from the leased premises.

2<sup>nd</sup> To pay lessor for gas of whatever nature or kind (with all 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 gas so produced, measured for the gas sold and off the premises or in the manufacture of products therefrom but in no event more than one-eighth (1/8) of the actual amount received by the lessee said payment to be made monthly during any period whether before or after expiration of the primary term hereof whether 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 operations on said leased premises sufficient to keep the lease in force. Lessee 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 the 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.

mentioning the entire lease.

If payment is made on or before any day in payment date, a lessee shall be entitled to pay or deposit a sum in payment to a lessor or owner entitled to receive payment at any time during the term of such payment and if such payment or deposit shall be erroneous in any regard, lessor shall be obligated to pay to such as to all owner the amount paid plus the proper payment for the period involved but this shall not be greater than the same man as if such errors in payment or deposit had been corrected made provided that lessee shall correct such erroneous payment within thirty (30) days of owing receipt by lessor of written notice from such as to all owner of lease for accompanied by any documents and other evidence necessary to enable lessor to make proper payment.

~~to enable lessee to make proper payment~~

If the lessee shall commence to drill a well or commence working operations on an existing well within the terms of this lease or any extension thereof or on acreage pooled therewith the lessee shall have, i.e., the right, such well or working interest or interest in two working interests with respect to it, to dispose of and to part with all oil, gas or other products of them, be it further, if in full quantity, the lessor shall be entitled to a portion of such well head back completed within the term of years first mentioned. Such working interests or mining interests as shall be deemed to be commenced when the last material is placed on the leased premises or when the last work is done thereon or staking the location is done thereon which is necessary for such operations.

such unit. Lessee hereby granted the right at any time and from time to time to reduce the leasehold interest in my portion of the unit, or to withdraw state or any county or state, with any other lands as to all state or any county or state, for the production primarily of oil or primarily of gas, with or without derricks, to more than 640 acres, provided that if any governmental regulation shall prescribe a specific pattern for the development of the field or allocation of producing acreage, as set out in the lease, such pattern shall prevail in such allocation, and such pattern may be used in such allocation of allowable areas. Lessee shall be entitled to do so in any unit in which the leasehold interest is located. Operations upon and production from the unit shall be treated as one unit, and such unit shall be entitled to such acreage as may be required to produce from the leasehold interest in the unit, whether or not the well or wells are located therein. The entire acreage, as in a unit, shall be treated for 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 set forth and except as far as calculating the amount of carry shut in gas royalties will only that part of the acreage ors, as leased and then actually maintained by this lessor in the unit, will be entitled to production from the unit, and Lessee shall pay Lessor in behalf of other royaltyees thereon only the proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on a percentage basis as to the total interest in the unit.

It shall be lawful for the lessor to let the whole or any part of the interest and on behalf of the lessee to apply to the court who the lessor holds in fee simple or for life, or to the lord of the manor or to the bailiff or master of the court, for a writ of distress and sale of the land or lands, or of any part thereof, for the payment of the rent, or of any other sum or his totally or partially therein on account to be paid to the lessor or to the bailiff or master in the suit.

When requested by the agent, lessee shall buy his premises below the fair value.  
Fair value shall be divided between the lessor and the lessee in proportion to their respective interest in the land.  
Lessee shall pay for all damages caused by his use alone to your property and 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

Beneficiaries have the right at any time to require us to furnish them a statement of all cash premiums due and when due.

the obligations of all such other persons as may be named in the instrument or otherwise made a party thereto, as well as of the lessee to pay at the time when the lease has been terminated with a written notice of termination a sum equal to the amount of the rent due and payable for the period of time remaining to the end of the lease. In case the lessor assigns the lease in whole or in part, there shall be released of all obligations with respect to the original lease, but the lessee shall remain liable for the same to the new lessor.

The express or implied warranties contained in this section shall not apply to any part of the hardware which fails for failure to comply therewith if it can be shown by clear and convincing evidence that such failure was caused by damage to the hardware prior to delivery.

the postman who delivered the letter to me at my home in New York City.

（三）重複の問題

13<sup>th</sup> - 1960 - January

~~W. W. Monroe Office  
New York City, N.Y.~~

55

### ACKNOWLEDGEMENT

STATE OF Indiana  
COUNTY OF Jasper

This instrument was acknowledged before me on the 12<sup>th</sup> day of Jan, 2003  
by M Yvonne Atkins

My commission expires 03-06-09

*Sue Bright*  
Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

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

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

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

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

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

My commission expires \_\_\_\_\_

Notary Public

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

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

My commission expires \_\_\_\_\_

Notary Public

### CORPORATE ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2003  
by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_

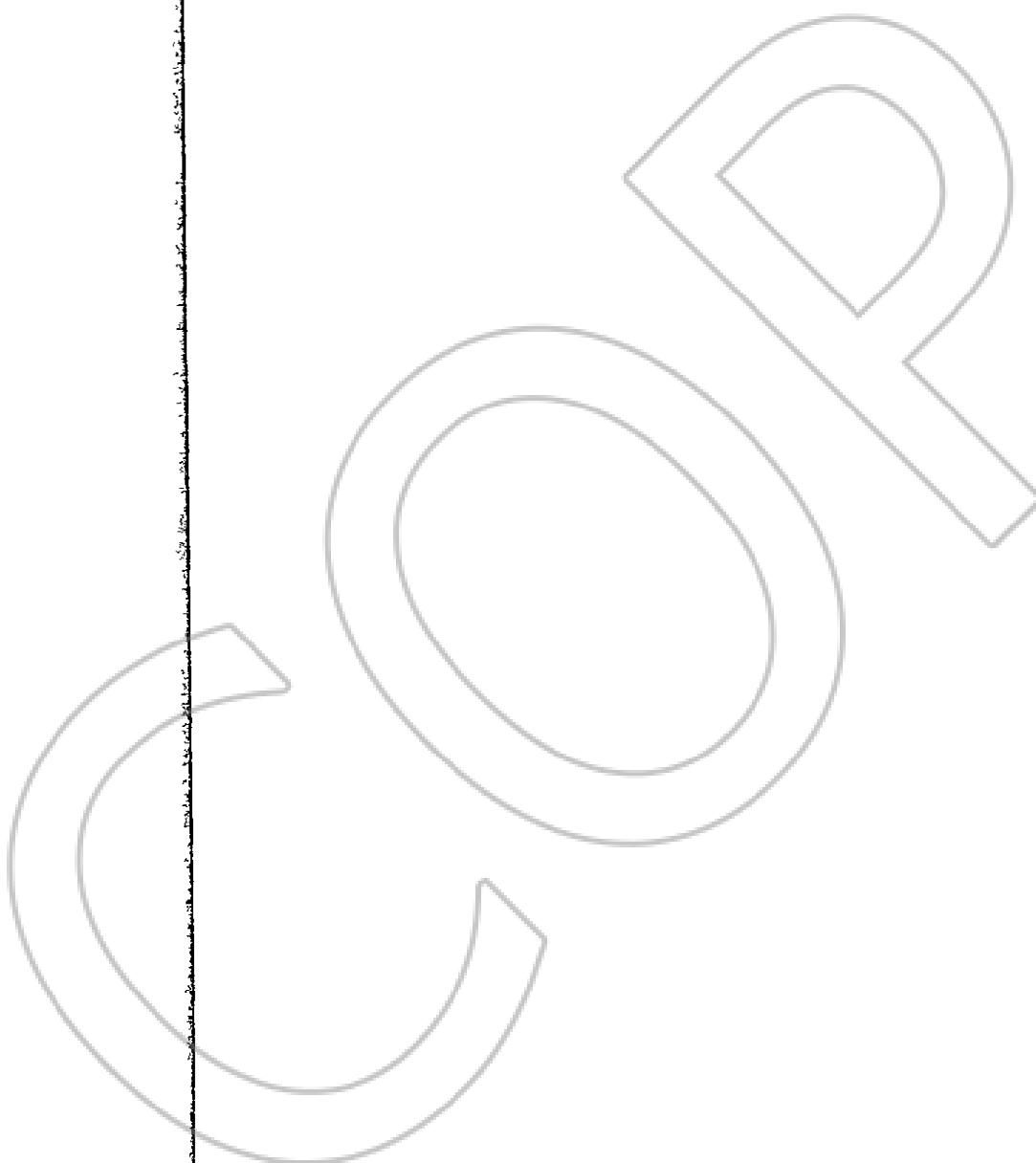
My commission expires \_\_\_\_\_

Notary Public

BOOK 359 PAGE 389  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Cesar Petroleum*  
2003 MAR 25 PM 1:55

EUREKA COUNTY NEVADA  
M N REBALEATI, RECORDER  
FILED FEES 16<sup>00</sup>

181479



BOOK 359 PAGE 391