

181483

Form 09-200 (First Printing, Oklahoma City, Oklahoma)

Mailing Address: 2601 N.W. Expressway, Suite 801W, Oklahoma City, OK 73112

OIL AND GAS LEASE
(PAID UP)

AGREEMENT Made and entered into this 10th day of January, 2003 by and between
Alma Mallock, a married woman in dealing in her separate property, 1328 S. Banner 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, conditions 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 purpose of investigating, exploring, prospecting, drilling and operating for and producing oil and all gas of whatever nature or kind including all associated hydrocarbons produced in a liquid or gaseous form also including sulphur produced in association with oil or gas hereinafter sometimes collectively referred to as oil and gas injecting gas, waters, other fluids, oil and other gaseous substances into and other purposes subsurface strata laying pipelines, storing oil, building tanks, power stations, telephone lines and other structures and things thereon to produce same take care of that process store and transport said oil and gas and other products manufactured therefrom the following described land together with any reverendary rights and after acquired interest therein situated in the County of Lurka State of Nevada to wit:

Section 15 S/2 SE/4
 Section 22 N/2 NE/4
 Section 23 W/2 NE/4, E/2 NW/4, NW/4 NW/4, NE/4 SW/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 Five (5) 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.

In consideration of the premises the said Lessee covenants and agrees:
 1st To deliver to the credit of Lessor free of cost in the pipe line to which it may connect its wells, the one-eighth (1/8) part 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 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-eighth (1/8) 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) hereafter when gas is not being 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 this 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 of 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.

If Lessee shall on or before any shut in payment date make a bona fide attempt to pay or deposit a shut in payment to a royalty owner entitled thereto under this lease according to Lessee's records at the time of such payment and if such payment or deposit shall be erroneous in any regard Lessee shall be obligated to pay to such royalty owner the shut in payment properly payable for the period involved but this 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 Lessee of written notice from such royalty owner of the error accompanied by any documents and other evidence necessary to enable Lessee 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 Lessee shall have the right to shut in such well to completion of complete reworking operations with reasonable diligence and dispatch and if oil or gas or either of them be 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 year first mentioned. Drilling operations or mining operations shall be deemed to be commenced when 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.

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 of 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 a much additional acreage as may be so 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 this 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 embraced 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 therein bears to the acreage bearing to the total acreage in the unit.

If said Lessee owns a less interest in the above described land than the entire and undivided less complete with the term with the stated hereunder 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 and undivided fee.

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 neighbor.

When requested by the Lessor Lessee shall bury its pipelines in low flow depths.
 No well shall be drilled nearer than 200 feet to the house or barn now on said premises without the written consent of the Lessor.
 Lessee shall pay for all damages 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 casing.

Any structures and facilities placed on the leased premises by Lessee for operations hereunder and any well or wells on the leased premises drilled or used for the injection of salt water or other fluids may also be used for lesser purposes on other lands in the same unit.

If the estate of either party hereto is assigned and the principle of assigning in whole or in part is expressly allowed the covenants hereof shall extend to their heirs, executors, administrators, assigns and assigns. If the estate of either party hereto is assigned in whole or in part the Lessor shall not be bound by the obligations or duties of Lessee. No change in the ownership of the land or royalties shall be binding on the Lessee until after the Lessee has been furnished with a written transfer or assignment of a true copy thereof. In case Lessee assigns the land in whole or in part, Lessee shall be relieved of all obligation with respect to the assigned portion or portions thereof subsequent to the date of assignment.

All covenants or imposed covenants of the Lessee shall be subject to all Federal and the Laws Executive Orders Rules and Regulations and the Lessee shall not be maintained in whole or in part but Lessee shall be bound and liable for failure to comply with all compliance as provided by or of such kind as the result of any such Law Order Rule or Regulation.

This lease shall be effective for a term of years or until expiration period to be of the term first and shall be binding on their assigns notwithstanding some of the Lessee's above covenants may not be in the exact terms hereof. The word Lessee as used in this lease means the party or parties who execute this lease or Lessee although it or they do not.

Lessee may at any time and from time to time terminate this lease as to any part or parts of the leased premises by delivering or mailing a notice to the Lessor or by placing a notice of record in the public records.

Lessee hereby warrants and agrees to defend the title to the lands herein described and agree that Lessee shall have the right at any time to redeem for Lessor by payment any mortgages taxes or other liens on the above described lands in the event of default of payment by Lessor and to subrogate to the rights of the holder thereof.

IN TESTIMONY WHEREOF we sign this the 14 day of January, 2003

* Alma Mallock
 Alma Mallock

SSN *

BOOK 359 PAGE 401

ACKNOWLEDGEMENT

STATE OF Indiana
COUNTY OF Marion

This instrument was acknowledged before me on the 14th day of January, 2003
by Alma Matlock

Rhonda Sue Leech
Notary Public RHONDA SUE LEECH

My commission expires 1-10-2007

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 _____ as _____ of _____

Notary Public

My commission expires _____

BOOK 359 PAGE 401
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Clary Petroleum
2003 MAR 25 PM 2:07

EUREKA COUNTY NEVADA
111 REBATE AT RECORDER
FILED FEES 16⁰⁰

181483

COPY