

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

AGREEMENT Made and entered into this 10th day of January, 2001 by and between Eunice Ann Stenger, a married woman dealing in her separate property, 1801 E Hanna Ave., Indianapolis, IN 46227, party of the first part, hereinafter called Lessor (whether one or more) and Clary Petroleum Corporation, party of the second part, hereinafter called lessee.

\*\*\*\*\*Ten and More\*\*\*\*\* IN L.A.S. 11

WITNESSETH That the said grantor, k and in consideration of the cash in hand paid, receipt of which is hereby acknowledged, a lot of land, and whereas the said lot is situated on the part of section to be paid kept and performed has granted, demised, leased and let and by these presents does grant, demise, lease and let to the said lessee, for the purpose of investigating exploring prospecting drilling and operating for and producing oil and all 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, hereinafter sometimes collectively referred to as "oil and gas" injecting gas waters either fluid, air and other noxious substances into subsurface strata, laying pipelines storing oil and gas, and otherwise carrying through to and using said gas, and all other products manufactured therefrom the following described land together with any reversionary rights and after assigned interest therein situated in the County of 1 Ulrich 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 30000, 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 lessor covenants, binds and agrees

1\* 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 dissolve) produced and saved from the leased premises

not limited to, condensates and gas(es) produced and saved from oil-bearing premises.  
2. The gas, for gas of whatever nature or kind (with all of its constituents) produced and sold or used on the leased premises or used in the manufacture of products thereon, shall be sold or used on the leased premises or in the manufacture of products thereon, but in no event more than one eighth (1/8) of the gross proceeds received for the gas sold on the premises or in the manufacture of products thereon, shall be retained by the lessor. The actual amount received by the lessee shall be paid to the lessor on a monthly basis, during any period (whether before or after expiration of the primary term hereof) when gas is not being sold or used on the leased premises 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 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.

therein, Lessee shall, on or before any such 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 should be erroneous in any regard, Lessee shall be obligated to pay to such royalty owner the shut-in payment properly payable for the acre involved, but the Lessee 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.

3<sup>rd</sup> 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

to be made liability. If the lessee shall commence drilling 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 drill operations this lease shall continue and the lessee shall continue with diligence and dispatch and if oil or gas or either of them be found in drilling operations this lease shall continue and the lessee shall continue with like effect as if such well had been completed within the term of years hereinafter mentioned. Drilling operations or reworking operations of all 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.

Lessor is hereby granted the right to use, from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum of strata, with any other lands as to all strata or any stratum of 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 unit, then the acreage of the unit shall be governed by such regulation. The unit shall be operated in conformity with the regulations which may be used in such allocation of allowable. Lessor shall be entitled to any acreage as much additional acreage as may be so prescribed or allowed. 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, Lessor 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 thereon on an acreage basis bears to the total acreage in the unit.

I said lessor owns a less interest in the above described land than the entire and undivided fee simple estate then in whether I 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 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 well of

When requested by the lessor, lessee shall bury his pipe lines below a low depth

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

Any structures and facilities placed on the land and 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 fluid, may also be used for lessor's operations on oil or lands in the same area.

If the estate of either party hereto is assigned and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, assigns and assigns. Howsoever notwithstanding or in derogation of the said right of either party to assign the obligations or diminish the rights of license. No charge in the ownership of the land or royalties shall be binding on the license or in any way the license has been furnished with a written transfer or assignment or a true copy thereof. In case lessor assigns this lease in whole or in part lessor shall be relieved of all obligations with respect to the assigned portion or portions again, subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Law. Express or Implied Rule and Regulation and this lease shall not be terminated or in whole or in part not be held liable and damages for failure to comply with the law if it is implied or provided by or such failure is the result of any such Law, Ord or Regulation.

This lease shall be effective as to each lesson on execution hereof, to her in her interest and shall be binding on those signing notwithstanding some of the lessons above named may not part in the execution hereof. The word "Lesson" is used in this lease means the party or parties who execute this lease as lessor although not named above.

Lessee may at any time and from time to time surrender this lease to any part or parts of the land; renounces by delivering or mailing a release thereof to lessor or by placing a release of said land in the public county

Lessor hereby warrants and agrees in order that it is due to the lands he in described and agree that the lessee shall have the right at any time to redeem for lessor by payment of monthly taxes or other liens on the above described lands in the event of default of payment by lessor and be subrogated to the rights of the holder of the

IN TESTIMONY WHEREOF we sign it is the 22 day of January 2003

[Signature]  
 Eunice Ann Stenger  
 SSN: [REDACTED]

ACKNOWLEDGEMENT

STATE OF Indiana  
COUNTY OF Marion

This instrument was acknowledged before me on the 22 day of January, 2003  
by Eunice Ann Stenger

Sharon Hill  
Notary Public

My commission expires Dec 17, 2008

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 404  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Clary Petroleum*  
2003 MAR 25 PM 2:09

EUREKA COUNTY NEVADA  
IN REBATE ATT. RECORDER  
FILE NO. FES 16.00

181484

COPY