

APN# _____

Recording Requested by:

Name Noble Energy

182476

Address 100 Gnborough Dr, Ste 100

City/State/Zip Auston, Tx 77067-3299

Oil and Gas Lease.
(Title of Document)

BOOK 365 PAGE 215-220
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EUREKA COUNTY NEVADA
M.N. REBALEATI, RECORDER
FILE NO. _____ FEES \$ 43.00

This page added to provide additional information required by NRS 111.312 Sections 1-2.
(Additional recording fee applies)

This cover page must be typed or printed.

OIL, GAS AND ~~MINERAL~~ LEASE

THIS AGREEMENT made entered into **July 18, 2003**, by and between **T. Milton Thompson, a single man**, as Lessor (whether one or more), whose res is 295 Skyline Drive, Elko, Nevada 89801, and **Noble Energy, Inc.**, as Lessee, whose address is 12600 Northborough, Suite, Houston, Texas 77067.

WITNESSETH:

1. Lessor, in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, in hand paid, of the royalties herein provided, and of the cements of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas and other hydrocarbons sulfur, fissionable materials and all other minerals (whether or not similar to those mentioned), conducting exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids, and air into subsurface strata, laying pipelines, establishing and utilizing facilities for the disposition salt water, dredging and maintaining canals, building roads, bridges, tanks, telephone lines, power stations and other structures thereon, and on, over and across lands owned or claimed by Lessor adjacent and contiguous thereto necessary to Lessee in operations to produce, save, take care of, treat, transport and own said products, the following described land in Eureka County, Nevada, to-wit:

Township 24 North, Range 54 East, MDB&M

Section 4: Lots 2, 3, SW1/4NE1/4, SE1/4NW1/4

Section 9: S1/2NE1/4, N1/2SE1/4

Section 10: SW1/4SW1/4

Section 22: S1/2NW1/4, N1/2SW1/4, W1/2NE1/4

This lease also covers and includes all and interest in land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be said survey or surveys or in adjacent surveys. For the purpose of calculating rental payments hereunder, said land is estimated to contain **602.20** acres, more or less.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of five (5) years from the date of (called "primary term") and as long thereafter as oil, gas and other hydrocarbons ~~sulfur, fissionable materials or other minerals~~ produced from said land or land pooled therewith.

3. The royalties to be paid by Lessee are: (a) on oil, one-eighth of that produced and saved from said land, the same to be delivered at the wells or to the credit of Lessor into the pipeline to which the wells may be connected; Lessee may from time to time purchase any royalty oil in its possession, paying the market price therefor prevailing for the field where produced on the date of purchase, and Lessee may sell any royalty oil in its possession and pay Lessor the price received by Lessee for such oil computed at the well; (b) on gas, including casinghead gas or other gaseous substance, produced from said land and sold or used off the premises or for the extraction of gasoline or other product therefrom, market value at the well of one-eighth of the gas so sold or used, provided that on gas sold by Lessee the market value shall not exceed the amount received by Lessee for such gas computed at the mouth of the well, and on gas sold at the well the royalty shall be one-eighth of the amount realized by Lessee from such sale; ~~and (c) on fissionable materials and all other minerals mined and marketed, one-tenth either in kind or value at the well or mine, at Lessee's election, except that on sulfur mined or marketed, the royalty shall be Two Dollars (\$2.00) per long ton.~~ If the price of any ~~mineral or~~ substance upon which royalty is payable hereunder is regulated by any governmental agency, the market value or market price of such ~~mineral or~~ substance for the purpose of computing royalty hereunder shall not be in excess of the price which Lessee may receive and retain. Lessee shall have free from royalty or other payment the use of water, other than water from Lessor's wells or tanks, and of oil, gas and coal produced from said land in all operations which Lessee may conduct hereunder, including water injection and secondary recovery operations, and the royalty on oil, gas and coal shall be computed after deducting any so used. If Lessee drills a well on land covered by this lease or on land pooled therewith which well is capable of producing oil or gas but such well is not being produced and this lease is not being maintained otherwise as provided herein, this lease shall nevertheless terminate, whether it be during or after the primary term, (unless released by Lessee) and it shall nevertheless be considered that oil or gas is being produced from the land covered by this lease. When the lease is continued in force in this manner, Lessee shall pay or tender as royalty to the parties who at the time of such payment would be entitled to receive royalty hereunder if the well were producing, deposit to their credit in the depository bank as hereinafter provided a sum equal to 1/12 of the amount of the annual rental payable out of drilling operations during the primary term on the number of acres subject to this lease at the time such payment is made for each calendar month, or portion thereof, thereafter during which said well is situated on said land or on land pooled therewith, and this lease is otherwise maintained, or this lease is not released by Lessee as to the land on which or the horizon, zone or formation in which the well is completed. The first payment of such sum shall be made on or before the first day of the calendar month after expiration of ninety (90) days from the date the lease is not otherwise maintained for all accruals to such date, and thereafter on or before the first day of each third calendar month for all accruals to each such date. Lessee's failure to pay or tender or to properly or timely pay or tender any such sum as a royalty shall render Lessee liable for the amount due but it shall not operate to terminate this lease.

4. If operations for mining are not commenced on said land or on land pooled therewith on or before one (1) year from the date of this lease, this lease shall terminate as to both parties, unless on or before such date Lessee shall pay or tender to the Lessor at Lessor's address rental in the amount of **one dollar (\$1.00)** per acre then held by this lease which shall cover the privilege of deferring

its terms and shall not be allocated as to a period. Lessee may at any time, and from time to time, execute and deliver to Lessor, or file for record, a release or releases of lease as to any part or all of said land ~~or of any mineral~~ or subsurface interval or any depths thereunder and thereby be relieved of obligations as to the released land, ~~mineral~~, horizon, zone or formation. If this lease is released as to all minerals, horizons, zones and formations under a portion of said land, the delay rental, shut-in royalty and other payments computed in accordance therewith shall thereupon be reduced in the proportion that the acreage released bears to the acreage which was covered by this lease immediately prior to such release.

5. Lessee, at its option hereby given the right and power during or after the primary term while this lease is in effect to pool or combine the land covered by this lease, or any portion thereof, as to oil, gas ~~and other minerals~~, or any of them, with any other land covered by this lease, and/or another land, lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order properly to explore, or to develop and operate the leased premises in compliance with the spacing rules of the State of Nevada, or other full authority, or when to do so would, in the judgment of Lessee, promote the conservation of oil, gas ~~or other mineral~~ in and under and may be produced from the premises. Units pooled for oil hereunder shall not substantially exceed in area 40 acres each plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not substantially exceed in area 640 acres each plus a tolerance of 10% thereof, provided that should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified in the future created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee may pool or combine land covered by this lease or any portion thereof, as above provided as to oil in any one or more strata and as to gas in any one or more strata. Units formed by pooling as to any stratum or strata need not conform in size or area with units as to any other stratum or strata, and oil units need not conform as to area with gas units. Pooling in one or more instances shall not exhaust the right of Lessee to pool this lease or portions thereof into other units. Lessee shall file for record in the appropriate records of the county in which the leased premises are situated an instrument describing and designating the pooled acreage as a pooled unit; the unit shall become effective as provided in said instrument, or if said instrument makes no such provision, it shall become effective upon the date it is filed for record. Each unit shall be effective as to all parties hereto, their heirs, successors and assigns, irrespective of whether or not the unit is likewise effective as to all other owners of surface, ~~mineral~~, royalty or other rights in land included in such unit. Lessee may at its election exercise its pooling option as to oil, gas ~~and other minerals~~ before or after commencing operations for or completing an oil well or well ~~or mine for other mineral~~ on the leased premises and the pooled unit may include, but is not required to include land or lands upon which a well or mine capable of producing oil, gas ~~or other mineral~~ in paying quantities has theretofore been completed or upon which operations for drilling of a well or mine for oil, gas ~~or other mineral~~ have theretofore been commenced. Operations for drilling or production of oil, gas ~~or other mineral~~ from any part of a pooled unit which includes all or a portion of the land covered by this lease, regardless of whether such operations for drilling were commenced or such production was secured before or after the execution of this lease or the instrument designating the pooled unit shall be considered as operations for drilling on or production of oil, gas ~~or other mineral~~ on land covered by this lease whether or not the well or wells or mine be located on land covered by this lease, and the entire acreage constituting such unit or units, as to oil, gas or other minerals, or any of them, as herein provided, shall be treated for all purposes, except payment of royalties on production from the pooled unit, as if the same were included in this lease; provided that if after creation of pooled unit, a well or mine is drilled on the unit area, other than on the land covered hereby and included in the unit which well is applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof. If an oil well on a unit which includes all or a portion of the leased premises, is reclassified as a gas well, or if a gas well, or if a gas well on a unit which includes all or a portion of the leased premises, is reclassified as an oil well, the date of such reclassification shall be considered as date of cessation of production for purposes of applying the additional drilling and reworking and resumption of delay rental provisions of Paragraph 6 hereof as to all leases any part of which are included in the unit other than the leased premises on which the well is used. For the purpose of computing royalties to which owners of royalties and payments out of production and each of them shall be entitled on production of oil, gas ~~or other minerals~~ from each pooled unit, there shall be allocated to the land covered by this lease and included in said unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) a pro rata portion of the oil, gas ~~or other minerals~~ produced from the unit after deducting that used for operations on the unit. Such allocation shall be on an acreage basis; that is, there shall be allocated to the acreage covered by this lease and included in the pooled unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that pro rata portion of the oil, gas ~~or other minerals~~ produced from the unit which number of surface acres covered by this lease (or in each separate tract) and included in the unit bears to the total number of surface acres included in the unit. As used in this paragraph, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises. Royalties hereunder shall be computed on the portion of such production, whether it be oil, gas ~~or other minerals~~, so allocated to the land covered by this lease and included in the unit just as though such production were from such land. Production from an oil well will be considered as production from the lease or oil pooled unit from which it is producing and not as production from a gas pooled unit; and production from a gas well will be considered as production from the lease or gas pooled unit from which it is producing and not from an oil pooled unit. Any pooled unit designated by Lessee in accordance with the terms hereof may be dissolved by Lessee by instrument filed for record in the appropriate records of county in which the leased premises are situated at any time after completion of a dry hole or cessation of production on said unit.

6. If Lessee shall drill a dry hole or holes on said land, or on acreage pooled therewith, and this lease is not being maintained otherwise as provided herein, or if oil, gas ~~or other mineral~~ is discovered and not produced for any cause, or if the production thereof should cease from any cause, this lease shall not terminate if Lessee commences operations for drilling or reworking within sixty (60) days thereafter and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) days, or if it be within the primary term, commences or resumes the payment or tender of rental or commences operations for drilling or reworking on or before the rental due date next ensuing after the expiration of sixty (60) days from the date of completion of dry hole, or discovery of oil, gas ~~or other minerals~~, or cessation of production and continues drilling or reworking operations on said well or any additional well with no cessation of more than sixty (60) consecutive days. If at any time subsequent to sixty (60) days prior to the beginning of the last year of the primary term and prior to the discovery of oil, gas ~~or other minerals~~ on said land, or on acreage pooled

8. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but change or division in ownership of the land, rentals or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production; and no change or division in such ownership shall be binding on Lessee until forty-five (45) days after Lessee shall have been furnished by registered U. S. Mail at Lessee's principal place of business with a certified copy of recorded instrument or instruments evidencing same. In the event of assignment hereof in whole or in part, liability for breach of any obligation hereunder shall rest exclusively upon the owner of the lease or of a portion thereof who commits such breach. In the event of the death of any person entitled to rentals hereunder, Lessee may pay or tender such rentals to the credit of the deceased of the estate of the deceased until such time as Lessee is furnished with proper evidence of the appointment and qualifications of an executor or administrator of the estate, or if there be none, until Lessee is furnished with evidence satisfactory to it as to the heirs or devisees of the deceased and that all debts of the estate have been paid. If at any time two or more persons be entitled to participate in rental payable hereunder, Lessee may pay or tender said rental jointly to such persons or to their joint credit in the depository bank; or, at Lessee's election, the proportionate part of rental to which each participant is entitled may be paid or tendered to him separately or to his separate credit in said depository; and payment or tender to any participant of his portion of the rental hereunder shall maintain this lease as to such participant. In the event of assignment of this lease as to a segregated portion of said land hereunder shall be apportionable as between the several leasehold owners ratably according to the surface area of each, and default in rental payment by one shall not affect the rights of other leasehold owners hereunder. If six or more parties become entitled to royalty hereunder, Lessee may withhold payment thereof unless and until furnished with a recordable instrument executed by all such parties designating agent to receive payment for all.

9. Breach by Lessee of any obligation hereunder shall not work a forfeiture or termination of this lease nor cause a termination or reversion of the estate created hereby nor be grounds for cancellation hereof in whole or in part. In the event Lessor considers that operations are not at a time being conducted in compliance with this lease, Lessor shall notify Lessee in writing of the facts relied upon as constituting a breach hereof, and Lessee, if in default, shall have sixty (60) days after receipt of such notice in which to commence compliance with the obligations imposed by this lease. After discovery of oil, gas or other minerals in paying quantities on said premises Lessee shall develop the acreage retained hereunder as a reasonable prudent operator but in discharging this obligation as to oil and gas it shall in no event be required to drill more than one well per forty (40) acres of the area retained hereunder plus a tolerance of 10% thereof and capable of producing in paying quantities and one well per 640 acres plus a tolerance of 10% of 640 acres of the area retained hereunder and capable of producing gas in paying quantities.

10. Lessor hereby warrants and agrees to defend the title to said land and agrees that Lessee at its option may discharge any tax, mortgage or other lien upon said land, either in whole or in part, and if Lessee does so, it shall be subrogated to such lien with right to enforce same and apply rentals and royalties accruing hereunder toward satisfying same. When required by state, federal or other law, Lessee may withhold taxes with respect to rental, royalty and other payments hereunder and remit the amounts withheld to the applicable taxing authority for the credit of Lessee. Without impairment of Lessee's rights under the warranty in event of failure of title, if Lessor owns an interest in the oil, gas or other minerals on, in or under said land less than the entire fee simple estate, whether or not this lease purports to cover the whole or a fractional interest, the royalties, shut-in royalties and rentals to be paid Lessor shall be reduced in the proportion that his interest bears to whole and undivided fee and in accordance with the nature of the estate of which Lessor is seized. Should any one or more of the parties named above as Lessor fail to execute this lease, it shall nevertheless be binding upon the party or parties executing same. Failure of Lessee to reduce rental paid hereunder shall not impair the right of Lessee to reduce royalties.

11. Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting drilling or reworking operations then or on land pooled therewith or from producing oil, gas or other minerals therefrom or from land pooled therewith by reason of scarcity or inability to obtain or to use equipment or material, or by operation of force majeure, any federal or state law or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended, Lessee shall not be liable in damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting drilling or reworking operations on or from producing oil, gas or other minerals on the leased premises or land pooled therewith, and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

12. Each singular pronoun herein shall include the plural whenever applicable.

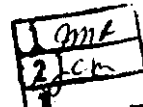
IN WITNESS WHEREOF, this instrument is executed on the date first above written.

NOBLE ENERGY, INC.

✓ T. M. Thoson
T. Milton Thoson

BY: Ted Price
Ted Price,

Vice President and
General Division Manager
ONSHORE DIVISION



STATE OF NEVADA

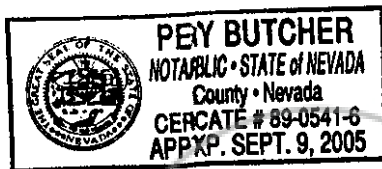
ss.

COUNTY OF ELKO

ON this 1st day of August, 2003, **Alan L. McCoy** personally appeared before me, whom I know to be the person who signed this (t of a subscribing witness while under oath, and swears that he was present and witnessed T. Milton Thoren sign his or her name to the above document.

Alan L. McCoy
Alan L. McCoy, Subscribing witness

Signed and sworn before me on Aug 1, 2003, by Alan L. McCoy



By Pey Butcher
Notary Public

STATE OF TEXAS)

) ss.

COUNTY OF HARRIS)

THIS instrument was acknowledged before me on August 21, 2003, by **Ted Price**, Vice President and ~~Division~~ Manager Noble Energy, Inc., on behalf of said corporation.
GENERAL SHORE DIVISION



Patricia A. Champion
Notary Public

Attached to and made a part that certain Oil and Gas Lease, dated **July 18, 2007**, by and between T. **Milton Thompson, a single man**, as Lessor, and **Noble Energy, Inc.**, as Lessee.

ADDENDUM

Should Lessor or tenants on the leased premises suffer loss of, or damage to, crops, trees, turf, livestock, water well fences, roads, other personal property, buildings or other improvements, as a result of operations of Lessee under this lease, Lessee agrees to pay Lessor or such tenants the actual amount of the said loss or damage. Within a reasonable time after Lessee's need therefor shall have ceased, Lessee shall fill all pits and other excavations made by Lessee upon the leased premises, level off mounds made by Lessee upon the leased premises, and remove all debris and rubbish placed by Lessee upon leased premises.

Initials

LM