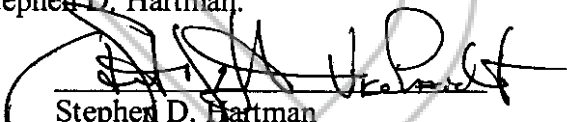




Based upon a review of the files and upon the best information and belief of affiant, since May 15<sup>th</sup>, 1991 there has been no well drilled upon said land, nor any oil or gas produced therefrom, and that none of the rentals accruing under and by virtue of the terms of said agreement have been paid or tendered to affiant or said Lessors, or to any bank for their credit, by the Lessee, or his agents or assigns. The Affiant affirms that since October 4, 1995, when NLRC became the fee owner of the above-described property, that the Lessee and its assigns had, or should reasonably have had, actual notice that rentals were payable to NLRC under the lease, and that any rights in the lease has expired.

Affiant further states that by reason of the nondevelopment, noncompliance and extinguishment of the enabling options and leases, the terms of the option and lease are of no force and effect and declares said option forfeited, extinguished and terminated and the Lessor will not, by acceptance of rentals, or in any other manner, recognize the same as a valid or existing option or any contractual rights allegedly granted therefrom.

The foregoing Affidavit of Nondevelopment has been executed this 17<sup>th</sup> day of May, 2005 by Stephen D. Hartman.

  
Stephen D. Hartman  
Executive Vice President, Corporate Counsel

The foregoing was subscribed and sworn before me this 17<sup>th</sup> day of May 2005.

  
NOTARY PUBLIC

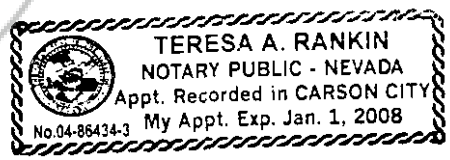
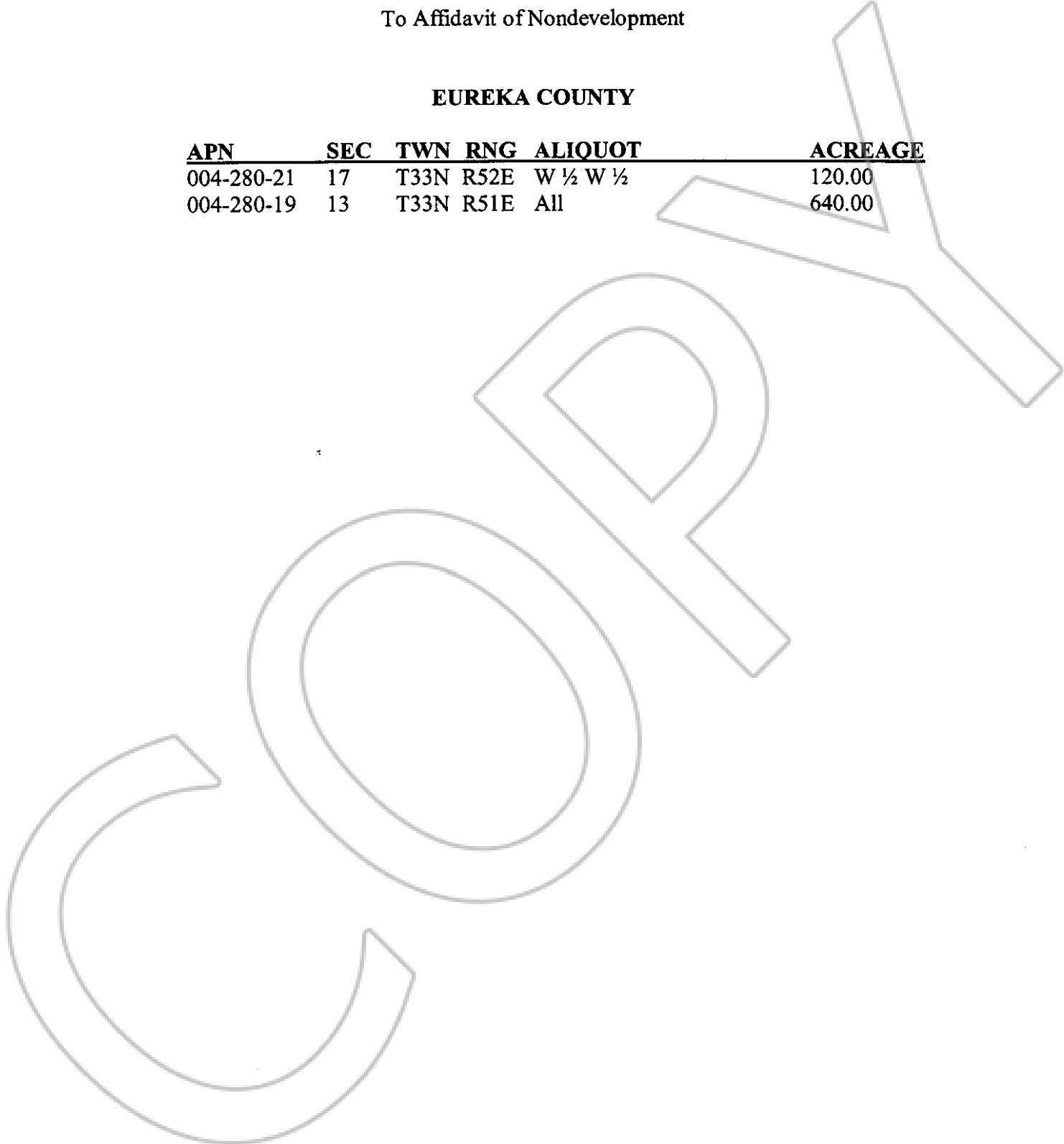
  
TERESA A. RANKIN  
NOTARY PUBLIC - NEVADA  
Appt. Recorded in CARSON CITY  
No. 04-86434-3 My Appt. Exp. Jan. 1, 2008

EXHIBIT "A"

To Affidavit of Nondevelopment

EUREKA COUNTY

<u>APN</u>	<u>SEC</u>	<u>TWN</u>	<u>RNG</u>	<u>ALIQUOT</u>	<u>ACREAGE</u>
004-280-21	17	T33N	R52E	W ½ W ½	120.00
004-280-19	13	T33N	R51E	All	640.00



**198519**

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