

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
Nevada Land & Resource Company, LLC
704 W. Nye Lane, Suite 201
Carson City, NV 89703

BOOK 413 PAGE 270-271
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Title
2005 MAY 26 AM 10:59
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 16.00

198519

EUREKA COUNTY APN: 004-280-19; 004-280-21

05010830
05010831

AFFIDAVIT
OF
NONDEVELOPMENT

STATE OF NEVADA)
)ss.
COUNTY OF CARSON CITY)

Stephen D. Hartman, being first duly sworn, deposes and says:

That Nevada Land and Resource Company, LLC ("NLRC") is the present owner of that certain real property located in the County of Eureka, State of Nevada, more particularly described on Exhibit A.

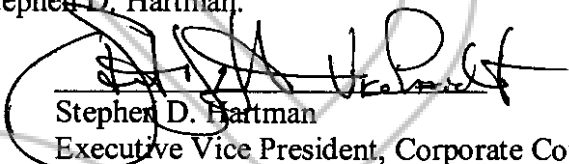
On October 9, 1987, Southern Pacific Land Company, predecessor in interest to NLRC, entered into an unrecorded Lease Option Agreement with Santa Fe Energy Company ("Energy") relative to the Exhibit A real property, which unrecorded Lease Option Agreement was terminated as of January 22, 2002. On December 29, 1989, Energy assigned all if its right, title and interest in the Lease Option Agreement to Santa Fe Energy Operating Partners, L.P. ("SFEOP"). Said land is described in a Memorandum of Agreement Regarding Oil and Gas Interests executed on the 15th day of May, 1991, by SFEOP as Farmer, and Foreland Corporation as Farmee, recorded April 2, 1992 in Book 233, Page 343, File No. 140503, in the office of the County Recorder of Eureka County, Nevada.

On July 1, 1991, Catellus Development Corporation and Atchison, Topeka & Santa Fe Railway Company, successors in interest to Santa Fe Land Company and predecessor in interest to NLRC, entered into an Oil and Gas Lease with SFEOP relative to the Exhibit A real property, dated July 1, 1991 recorded September 11, 1992 in Book 238, Page 370, File No. 142207, in the office of the County Recorder of Eureka County, Nevada. Said lease expired by its terms on June 30, 2001 and is of no force and effect.

Based upon a review of the files and upon the best information and belief of affiant, since May 15th, 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 17th 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 17th day of May 2005.


NOTARY PUBLIC

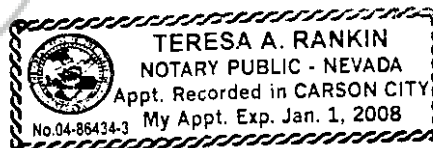


EXHIBIT "A"

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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