

BOOK 441 PAGE 219-221
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Stewart Little
2006 AUG 28 AM 8:43

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
Nevada Land & Resource Company, LLC
3480 GS Richards Boulevard, Suite 101
Carson City, NV 89703

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 16 ⁰⁰
205923

ORDER NO. 06012114
ESCROW NO. 06003278-SH

EUREKA COUNTY APN: 04-370-12; 04-390-08

AFFIDAVIT
OF
NONDEVELOPMENT

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

Dorothy A. Timian-Palmer, 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.

Said land is described in an Oil and Gas Sublease executed on the 1st day of August, 1991, by Santa Fe Energy Operating Partners, LP as Sublessor, and Foreland Corporation with an undivided 50% interest and Santa Fe Energy Operating Partners, LP with an undivided 50% interest as Sublessees. The Memorandum of Agreement Regarding Oil and Gas Interests dated May 15, 1991, was recorded on April 2, 1992 in Book 233, Page 343, Document No. 140503, in the office of the County Recorder of said County.

Said Sublease expired by its terms on August 1, 1996. Based upon a review of the files and upon the best information and belief of affiant, as of July 1, 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 lease 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 acquired the above-described property, that the Lessee and his assigns had actual notice that rentals were payable to NLRC under the lease, and that the lease has expired. Upon expiration of the term, Affiant provided notice to Lessee of said expiration.

Affiant further states that by reason of the expiration of the term, non-development and non-compliance with the terms of the lease by Lessee and its assigns, affiant hereby determines and declares said lease forfeited, and the Lessor will not, by acceptance of rentals, or in any other manner, recognize the same as a valid or existing lease.

The foregoing Affidavit of Nondevelopment has been executed this 17th day of August, 2006 by Dorothy A. Timian-Palmer.

Dorothy A. Timian-Palmer
Dorothy A. Timian-Palmer
Chief Operating Officer

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

The foregoing was subscribed and sworn before me this 17th day of August 2006.

Danielle Bettridge
NOTARY PUBLIC

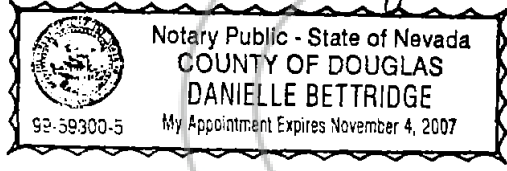


EXHIBIT "A"

To Affidavit of Non-Development

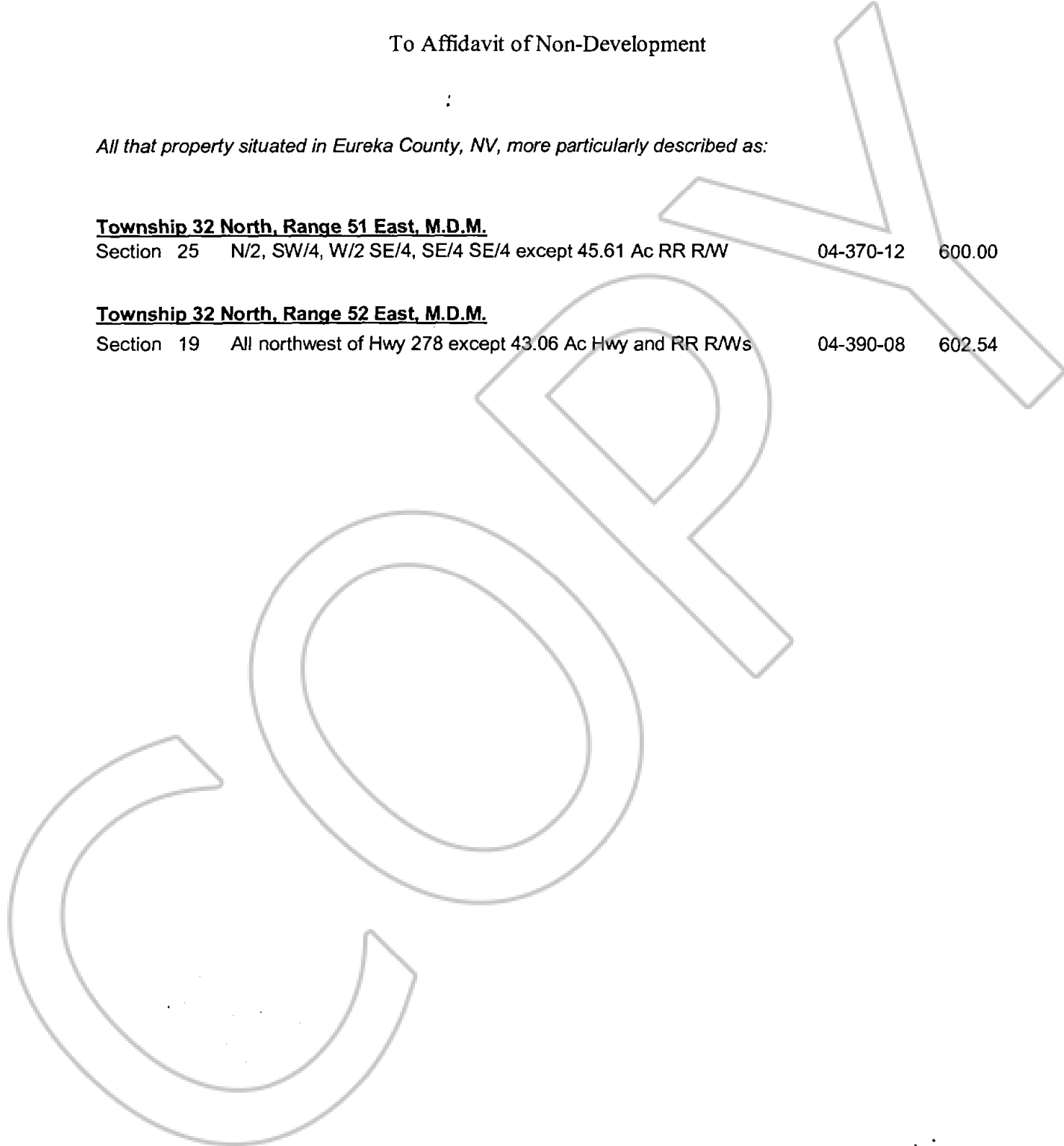
All that property situated in Eureka County, NV, more particularly described as:

Township 32 North, Range 51 East, M.D.M.

Section 25 N/2, SW/4, W/2 SE/4, SE/4 SE/4 except 45.61 Ac RR R/W 04-370-12 600.00

Township 32 North, Range 52 East, M.D.M.

Section 19 All northwest of Hwy 278 except 43.06 Ac Hwy and RR R/Ws 04-390-08 602.54



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