

Form 3106-5
(November 1975)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ASSIGNMENT AFFECTING RECORD TITLE
TO OIL AND GAS LEASE
PART I

Ed Pendleton
1410 Security Life Bldg.
Denver, Co. 80202

FORM APPROVED OMB NO. 42-R1599	
Serial No.	N-13076
New Serial No.	SAME

62753
FILED AND RECORDED AT REQUEST OF
Reading & Bates
Sept. 7, 1978
AT 1 MIDDLES FORT 1 O'CLOCK
LINCOLN COUNTY, NEVADA, RECORD
[Signature]
COUNTY RECORDER

The undersigned, as owner of 100% percent of record title of the above-designated oil and gas lease issued effective (date) May 1, 1977, hereby transfers and assigns to the assignee shown above, the record title interest in and to such lease as specified below.

2. Describe the lands affected by this assignment (43 CFR 3101.2-3)

Township 2 North, Range 57 East

Sec. 17: All
Sec. 18: All
Sec. 19: All
Sec. 20: All

Containing 2556.84 acres more or less, Elko County, Nevada

3. What part of assignor(s) record title interest is being conveyed to assignee? (Give percentage or share) 100%

4. What part of the record title interest is being retained by assignor(s)? None

5a. What overriding royalty or production payments is the assignor reserving herein? (See Item 4 of General Instructions; specify percentage) None

b. What overriding royalties or production payments, if any, were previously reserved or conveyed? (Percentage only) None

It is agreed that the obligation to pay any overriding royalties or payments out of production of oil created herein, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

I CERTIFY That the statements made herein are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 17th day of January, 19 77

[Signature]
(Assignor's Signature)

1410 Security Life Bldg,
(Assignor's Address)

John P. Ervelo, Jr.

Denver, Co. 80202
(City) (State) (Zip Code)

Title 18 U.S.C., Section 1091, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

THE UNITED STATES OF AMERICA

Assignment approved as to the lands described below:

T. 2 N., R. 57 E., MD Mer., Nevada - Ely County
sec. 17, All;
sec. 18, Lots 1, 2, 3, 4, E 1/2, E 1/4 (All);
sec. 19, Lots 1, 2, 3, 4, E 1/2, E 1/4 (All);
sec. 20, All. Containing 2556.84 acres.

Assignment approved effective May 1, 1977

By *[Signature]*
(Authorized Officer)

Chief, Lands & Minerals Operations 4/15/77

(Title) (Date)

6-1-80-82

PART II

ASSIGNEE'S REQUEST FOR APPROVAL OF ASSIGNMENT

A. ASSIGNEE CERTIFIES THAT

1. Assignee is over the age of majority
2. Assignee is a citizen of the United States
3. Assignee is Individual Municipality Association Corporation
4. Assignee is the sole party in interest in this assignment (information as to interests of other parties in this assignment must be furnished as prescribed in Specific Instructions)
5. Filing fee of \$10 is attached (see item 2 of General Instructions)
6. Assignee's interests, direct and indirect, do not exceed 200,000 acres in oil and gas options, or 246,080 chargeable acres in options and leases in the same state, or 300,000 chargeable acres in leases and options in each leasing district in Alaska.

B. ASSIGNEE AGREES to be bound by the terms and provisions of the lease described here, provided the assignment is approved by the Authorized Officer of the Bureau of Land Management.

C. IT IS HEREBY CERTIFIED That the statements made herein are true, complete, and correct to the best of undersigned's knowledge and belief and are made in good faith.

Executed this 16th day of January, 1977

[Handwritten Signature]
(Assignee's signature)

RECEIVED BY BATES
1800 First Floor
DALLAS, OKLAHOMA 74103

1410 Security Life Bldg, Denver, Co. 80202
(Address, include zip code)

Title 18 U.S.C., Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

GENERAL INSTRUCTIONS

1. Use of form - Use only for assignment of record title interest in oil and gas leases. Do not use for assignments of working or royalty interests, operating agreements, or sub-leases. An assignment of record title may only cover lands in one lease. If more than one assignment is made out of a lease, file a separate instrument of transfer with each assignment.
2. Filing and number of copies - File three (3) completed and manually signed copies in appropriate land office. A \$10 nonrefundable filing fee must accompany assignment. File assignment within ninety (90) days after date of final execution.
3. Effective date of assignment - Assignment, if approved, takes effect on the first day of the month following the date of filing of all required papers.
4. Overriding royalties or payments out of production - Describe in an accompanying statement any overriding royalties or payments out of production created by assignment but not set out therein. If payments out of production are reserved by assignor, outline in detail the amount, method of payment, and other pertinent terms.
5. Effect of Assignment - Approval of assignment of a definitely described portion of the leased lands creates separate leases. Assignee, upon approval of assignment, becomes lessee of the Government as to the assigned interest and is responsible for complying with all lease terms and conditions, including timely payment of annual rental and maintenance of any required bond, except in the case of assignment of undivided interests, royalties, and operating agreements.
6. A copy of the executed lease, out of which this assignment is made, should be made available to assignee by assignor.

SPECIFIC INSTRUCTIONS

(Items not specified are self-explanatory)

PART I

Item 1 - Type or print plainly, in ink, between and below heavy dots, the assignee's full name and mailing address, including zip code.

PART II

A. Certification of assignee
3. If assignee is an association or partnership, assignee must furnish a certified copy of its articles of association or partnership, with a statement that (a) it is authorized to hold oil and gas leases; (b) that the person executing the assignment is authorized to act on behalf of the organization in such matters; and (c) names and addresses of members controlling more than 10% interest.

If assignee is a corporation, it must submit a statement containing the following information: (a) State in which it was incorporated; (b) that it is authorized to hold oil and gas leases; (c) that officer executing assignment is authorized to act on behalf of the corporation in such matters, and (d) percentage of voting stock and percentage of all stock owned by

aliens or those having addresses outside the United States. If 10 percent or more of the stock of any class is owned or controlled by or on behalf of any one stockholder, a separate showing of his citizenship and holdings must be furnished.

If evidence of qualifications and ownership has previously been furnished as required by the above, reference by serial number of record in which it was filed together with a statement as to any amendments. Qualifications of assignee must be in full compliance with the regulations (43 CFR 3102).

4. Statement of interests - Assignee must indicate whether or not he is the sole party in interest in the assignment. If not, assignee must submit, at time assignment is filed, a signed statement giving the names of other interested parties. If there are other parties interested in the assignment, a separate statement must be signed by each and assignee giving the nature and extent of the interest of each, the nature of agreement between them, if oral, and a copy of agreement, if written. All interested parties must furnish evidence of their qualifications to hold such lease interests. Separate statements and written agreements, if any, must be filed no later than fifteen (15) days after filing assignment.