

PROSPECT: TULE SPRINGS

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

STATE OF NEVADA            I  
                                  I        KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF LINCOLN        I

WHEREAS, pursuant to that Assignment of Oil and Gas Lease executed on November 2, 1979, which has been approved by the appropriate Bureau of Land Management Office, MAY PETROLEUM INC. (therein called Assignor) conveyed 50.00% (Fifty Percent) or one-half of all its right, title and interest in each Oil and Gas Lease or Oil, Gas and Mineral Lease described in Exhibit "A" attached hereto and was a part thereof to PREMCO WESTERN, INC. (therein called Assignee); and

WHEREAS, pursuant to the Assignments of Oil and Gas Lease executed previously on various dates, the parties hereto being MAY PETROLEUM INC. and PREMCO WESTERN, INC., concur, agree, warrant, and state that their interests in said Lease, described in Exhibit "A" hereto, are burdened by a 2.50% (Two and Fifty Percent) Overriding Royalty Interest to be conveyed to LYLE A. HALE and the parties hereto are obligated to burden their interests in said Lease so that in the end LYLE A. HALE shall have the same Overriding Royalty Interest in said Lease as if MAY PETROLEUM INC. had executed an Agreement of Overriding Royalty Interest on said Lease on One (1) legal day prior to any of the previous assignment dates;

NOW THEREFORE, for and in consideration of the sum of TEN DOLLARS (\$10.00) for good and valuable consideration paid by LYLE A. HALE, the receipt and sufficiency of which is hereby acknowledged, MAY PETROLEUM INC. and PREMCO WESTERN, INC., (hereinafter referred to as Assignors), hereby assign, convey and transfer to LYLE A. HALE (hereinafter referred to as Assignee), a 2.50% (Two and Fifty Percent) Overriding Royalty Interest in all oil, gas and casinghead gas or other gases or liquid hydrocarbons, produced, saved and sold from the land described on Exhibit "A", attached hereto and made a part hereof, under the terms and conditions set forth in the Lease described in Exhibit "A" (hereinafter referred to as "Said Land" and "Said Lease", respectively).

In the event Said Lease covers less than the full and en-

Lincoln County

tire estate in the minerals in and under Said Land, then the interest hereby assigned shall be reduced in the proportion which the interest in the minerals conveyed by Said Lease bears to the full and entire mineral estate; in the event Assignors own less than the entire interest of Lessee in Said Lease, then the interest transferred herein shall be reduced in proportion that Assignors' interests bear to the entire interest of Lessee, and in the event a portion of Said Land is included within a producing Spacing Unit, then the interest conveyed hereby shall apply only to production attributed to such portion.

The interest hereby assigned shall be free and clear of all expense of every kind and character except its part of gross production or like taxes.

This Assignment is made without warranty of title, either express or implied.

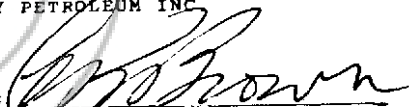
This Assignment of Overriding Royalty is made subject to all of the terms and conditions set forth in that certain Letter Agreement by and between LYLE A. HALE and MAY PETROLEUM INC., dated October 21, 1977. This Assignment and its terms and provisions shall be binding upon the parties hereto, their respective heirs, legal representatives and assigns forever.

WITNESS THE EXECUTION HEREOF this 2nd day of January, 1980


ATTEST:

  
Dorothy L. Douglas, Secretary


MAY PETROLEUM INC

BY:   
C. R. Brown, Manager of Land  
Rocky Mountain Division

ATTEST:

  
Stephen G. O'Neal, Secretary

PREMCO WESTERN, INC.

BY:   
R. W. Holman, President  
PREMCO WESTERN, INC.  
2735 Villa Creek, Suite 195  
Dallas, TX 75234

Lincoln County

THE STATE OF TEXAS I  
I  
COUNTY OF DALLAS I

CORPORATE ACKNOWLEDGMENT - TEXAS

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared C. R. BROWN, known to me to be the person and employee serving in the capacity of Manager of Land, Rocky Mountain Division, whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said MAY PETROLEUM INC., a corporation, and that he having been duly authorized by the Board of Directors of said corporation, executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 2nd day of January, 19 80.

My Commission Expires:

August 1, 1981

Mitzi S. Harper  
Notary Public in and for  
Dallas County, Texas

THE STATE OF I  
I  
COUNTY OF I

CORPORATE ACKNOWLEDGEMENT

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared R. W. Holman, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said PREMCO WESTERN, INC., a corporation, and that he having been duly authorized by the Board of Directors of said corporation, executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of February, 19 80.



My Commission Expires:

2-10-84

Pam Berry  
Notary Public in and for  
Dallas County, Texas

EXHIBIT "A"

PROSPECT: TULE SPRINGS

State of NEVADA

Parish or County of LINCOLN

Attached to and made a part of Assignment of Overriding Royalty dated January 2, 1980 from MAY PETROLEUM INC., ET AL., Assignor,

to LYLE A. HALE, Assignee.

Lease No. NV-603-0001-00 Lessor USA  
BLM N-19616

Lessee W. E. Haley

Lease Date 1-01-79  
Expiration Date 1-01-89

Description T1S-R69E, MD  
Section 26: All  
Section 35: All

Recorded  
Book Page

BOOK

37 PAGE 105

No. 68401

FILED AND RECORDED AT REQUEST OF  
MAY PETROLEUM INC.  
APRIL 23, 1980

AT 1 MINUTES PAST 1 O'CLOCK  
P M IN BOOK 37 OF OFFICIAL  
RECORDS, PAGE 102 LINCOLN  
COUNTY, NEVADA.

Yvonne Setzer  
COUNTY RECORDER