

STATE OF NEVADA        §  
COUNTY OF LINCOLN   §

ASSIGNMENT OF OIL AND GAS LEASES AND BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

THAT ADOBE RESOURCES CORPORATION, a Delaware corporation, hereinafter called "Assignor," for and in consideration of the sum of Ten Dollars (\$10) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby transfer, sell, assign and convey unto TREXCO RESOURCES, INC., a Delaware corporation, whose address is 330 Grant Street, Pittsburgh, Pennsylvania 15219, its successors and assigns, hereinafter called "Assignee," subject to the exceptions and reservations hereinafter made, the Oil and Gas Lease or Leases as described on Exhibit "A" attached hereto and made a part hereof INSOPAR ONLY, HOWEVER, as said Lease or Leases cover the lands and premises described in said exhibit together with Assignor's interest in and to any and all wells, casing, tubing, separators, flow lines, meters, compressors, and other facilities, equipment, or personal property situated thereon and used in connection therewith.

Assignor EXCEPTS from this assignment and RESERVES unto itself, its successors and assigns, the following:

A production payment of an aggregate Five Million Dollars (\$5,000,000) payable out of four percent (4%) of the proceeds received by Assignee from the sale of oil or gas production from the premises attributable to the interest herein assigned to Assignee; provided, however, that said four percent (4%) shall be reduced to the extent the existing net revenue working interest in said assigned premises would be reduced below eighty percent (80%).

This production payment shall terminate and be of no further force and effect upon the earlier to occur of the following events: (i) the payment to Assignor of the sum of an aggregate Five Million Dollars (\$5,000,000) from the properties to which said production payment applies as defined in that certain Asset Purchase and Sale Agreement dated as of 12/30/86 between the parties hereto or (ii) the lapse of 15 years from January 1, 1987.

This production payment shall extend to, and be covered by, all extensions and renewals of the subject lease, shall bear its proportionate part of all gross production taxes or other applicable taxes, and shall be binding upon the parties hereto, their successors and assigns.

Lincoln County

THIS ASSIGNMENT is made subject to the terms and conditions of all prior Assignments of record and subject to all overriding royalties and/or production payments therein reserved or assigned, and Assignee herein specifically assumes the obligations of Assignor as set forth in the lease or leases herein assigned and in all Assignments thereof. This Assignment is pursuant to and made subject to the terms and conditions of the aforementioned Agreement.

TO HAVE AND TO HOLD the herein assigned lease or leases unto the Assignee, its successor and assigns, and Assignor does hereby bind itself, its successors and assigns, to warrant and defend the same against the claims and demands of all persons whomsoever claiming by, through and under it, but not otherwise.

THIS ASSIGNMENT is effective to transfer oil and gas runs as of 11:59 p.m. December 31, 1986 local time.

EXECUTED this 29<sup>th</sup> day of December, 1986.

ATTEST:

Tim G. Culp  
Tim G. Culp, Ass't Secretary

ADOBE RESOURCES CORPORATION

By: H. R. Holcomb  
H. R. Holcomb, Vice President

STATE OF TEXAS §

COUNTY OF MIDLAND §

This instrument was acknowledged before me on the 29<sup>th</sup> day of DECEMBER, 1986, by H. R. Holcomb, vice president of ADOBE RESOURCES CORPORATION, a Delaware corporation, on behalf of said corporation.

Stacy M. Welborn  
Notary Public  
State of Texas  
My Commission Expires 5-10-90

Stacy M. Welborn  
Notary Public, State of Texas  
My commission expires: 5-10-90  
Printed name: STACY M. WELBORN

D4/ADOBE/ASSIGNMENT/6-A

EXHIBIT A  
SCHEDULE OF  
NV

DATE 12/23/86 PAGE

STATE ENTITY ADDSE RESOURCES CORPORATION

LEASE NUMBER	LESSOR	LESSEE	LEASE DATE	EXPIRE DATE	RECORDED BOOK	PAGE	COUNTY	PROSPECT
NV3 003404-	USA N-14933	VERN K. JONES	10/01/77	10/01/87			LINCOLN	STATELINE
TRACT 01	DESCRIPTION: T-8-N, R-79E SEC 01: ALL SEC 15: ALL SEC 20: ALL SEC 32: ALL							
NV3 003408-	USA N-14778	JOHN P. ERREBO	10/01/77	10/01/87			LINCOLN	STATELINE
TRACT 01	DESCRIPTION: T-9-N, R-70-E SEC 10: ALL SEC 23: ALL SEC 28: ALL SEC 34: ALL							
NV3 003698-	USA N-14936	VERN K. JONES	01/01/78	01/01/88			LINCOLN	TIKABOO
TRACT 01	DESCRIPTION: T-7-S, R-59-E SEC 20: ALL SEC 34: ALL							
NV3 004978-	USA N-17243	ED PENDELTON	06/01/78	06/01/88			LINCOLN	BASE LINE AREA-BASE FILE
TRACT 01	DESCRIPTION: T-6-N, R-70-E SEC 3: LOTS 1, 2, 3, 4, 5/2 N/2 & S/2							
NV1 001891-	USA N-14938	TREND RESOURCES	02/01/78	02/01/86			LINCOLN	CAVE VALLEY (TEL)
TRACT 01	DESCRIPTION: T-8-N, R-64-E SEC 11: NW/4							
NV1 001990-	USA N-18964	TREND RESOURCES	08/01/78	08/01/88			LINCOLN	COYOTE SPRINGS (TEL)
TRACT 01	DESCRIPTION: T-3-S, R-85-E SEC 01: LOTS 1, 2, 3/2 NE/4, SEC 7: E/2 SEC 18: E/2 SEC 19: LOTS 1, 2, 3, 4, E/2 SEC 30: LOTS 1, 2, 3, 4, E/2							

No. **86158**  
FILED AND RECORDED AT REQUEST OF  
**Equitable Resources**  
Jan 16, 1987  
AT 15 MINUTES PAST 2 O'CLOCK  
P.M. IN BOOK 73 OF OFFICIAL  
RECORDS, PAGE 399 LINCOLN  
COUNTY, NEVADA.

FRANK HULSE  
COUNTY RECORDER  
By *Mala Cortez* Deputy  
BOOK 73 PAGE 401