

Lincoln County

RECORDING REQUESTED BY:
PHILLIPS PETROLEUM COMPANY

GF 052639-00

WHEN RECORDED RETURN TO:
Phillips Petroleum Company
Attn: R. D. Gallegos - Rm. 1380
P. O. Box 1967
Houston, TX 77251-1967

ASSIGNMENT OF OVERRIDING ROYALTY

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

That for the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid to it, the receipt and sufficiency of which are hereby acknowledged, PHILLIPS PETROLEUM COMPANY, P. O. Box 1967, Houston, Texas 77251-1967, (hereinafter referred to as "Assignor"), has GRANTED, SOLD, TRANSFERRED, ASSIGNED AND CONVEYED, and by these presents does GRANT, SELL, TRANSFER, ASSIGN AND CONVEY unto BLUE EAGLE EXPLORATION, 4400 South Estes, Littleton, CO 80123, (hereinafter referred to as "Assignee"), as an overriding royalty, .02 percent (2%) of all of the oil, gas and minerals in and under and that may be produced, saved and sold from lands in Lincoln County, Nevada, under and by virtue of the oil, gas and mineral leases set forth on Exhibit "A" attached hereto, or any renewals or extensions thereof, to be delivered to said Assignee or to its credit into the pipeline, tank or other receptacle to which the well or wells thereon may be connected, free and clear of all of the costs and expenses of development and operation except the taxes thereon or attributable thereto. It is the intent of Assignor to retain an eighty-five and one-half percent (85.5%) net revenue interest in the leases identified on Exhibit "A".

Operations on said lands and the extent and duration thereof, as well as the perpetuation of such leases by payments, operations, or otherwise, shall be solely at the will and discretion of the Assignor, its successors or assigns.

In the event the leases cover less than the entire mineral fee estate in and to any of the lands hereinafter described in Exhibit "A", such overriding royalty interest herein assigned and conveyed as to such lands shall be reduced to the proportion thereof which the mineral fee estate covered by such leases bears to the entire mineral fee estate.

It is expressly agreed that Assignor, its successors and assigns, shall have the right to

Lincoln County

pool or unitize the lands and interests affected by the leases described in said Exhibit "A", including the overriding royalty herein conveyed, without the joinder or consent of Assignee, its successors or assigns. In the event of production from any such pooled unit or from any unit created by a regulatory body having jurisdiction, the overriding royalty herein conveyed shall be computed on the proportionate part of the production from such pooled unit that is allocated to the property subject to said overriding royalty, and unless otherwise allocated by order of a regulatory body, the amount of such production to be so allocated from each such unit shall be that proportion of such total production that the surface area of the property affected hereby and included within such unit bears to the total surface area of all lands within such unit.

This assignment and conveyance is made without warranty of title, express or implied, except as to conveyances or encumbrances by, through or under the undersigned.

TO HAVE AND TO HOLD the herein assigned properties and interests unto said Assignee, its heirs and assigns forever.

IN WITNESS WHEREOF, this instrument is executed this 24th day of February, 1993.

PHILLIPS PETROLEUM COMPANY

By: J. E. Herndon
J. E. Herndon
Attorney-in-Fact

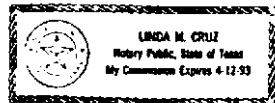
STATE OF TEXAS §
 §
COUNTY OF HARRIS §

On this 24th day of February, 1993, before me, a Notary Public, personally appeared J. E. Herndon, to me known to be the Attorney-in-Fact of Phillips Petroleum Company, and acknowledged to me that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

Linda M. Cruz
Notary Public in and for
Harris County, Texas

0792.06



Lincoln County

EXHIBIT "A" (OIL AND GAS LEASES)
STATE OF NEVADA
COUNTY OF LINCOLN

LEASE NUMBER	LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
219553 000	USA-N-56208 RICHARD R. SUTTON	11/01/92	6 1N 60E ALL (PRO DIA 173)
219554 000	USA-N-56209 RICHARD R. SUTTON	11/01/92	5 1S 60E ALL (PRO DIA 177)
219555 000	USA-N-56210 RICHARD R. SUTTON	11/01/92	30 1S 60E ALL (PRO DIA 177) 31 1S 60E ALL (PRO DIA 177)
219556 000	USA-N-56211 RICHARD R. SUTTON	11/01/92	1 1S 59E ALL (PRO DIA 177) 12 1S 59E ALL (PRO DIA 177) 13 1S 59E ALL (PRO DIA 177)
219557 000	USA-N-56212 RICHARD R. SUTTON	11/01/92	2 1S 59E ALL (PRO DIA 177) 11 1S 59E ALL (PRO DIA 177) 14 1S 59E ALL (PRO DIA 177)
219558 000	USA-N-56213 RICHARD R. SUTTON	11/01/92	3 1S 59E ALL (PRO DIA 177) 10 1S 59E ALL (PRO DIA 177) 15 1S 59E ALL (PRO DIA 177)

EXHIBIT "A" (OIL AND GAS LEASES)
STATE OF NEVADA, COUNTY OF LINCOLN

LEASE NUMBER	LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
2195559 000	USA-N-56216 RICHARD R. SUTTON	11/01/92	21 1S 59E ALL (PRO DIA 177)
			22 1S 59E ALL (PRO DIA 177)
			27 1S 59E ALL (PRO DIA 177)
			28 1S 59E ALL (PRO DIA 177)
2195640 000	USA-N-56215 RICHARD R. SUTTON	11/01/92	23 1S 59E ALL (PRO DIA 177)
			24 1S 59E ALL (PRO DIA 177)
			25 1S 59E ALL (PRO DIA 177)
			26 1S 59E ALL (PRO DIA 177)
2195661 000	USA-N-56216 RICHARD R. SUTTON	11/01/92	4 2S 59E ALL (PRO DIA 177)
			9 2S 59E ALL (PRO DIA 177)
220949 000	USA-N-55940 RICHARD R. SUTTON	06/01/92	10 2S 59E ALL, MDM (PRO DIA 177)
			11 2S 59E ALL, MDM (PRO DIA 177)
			12 2S 59E ALL, MDM (PRO DIA 177)
220950 000	USA-N-55939 RICHARD R. SUTTON	06/01/92	1 2S 59E ALL, MDM (PRO DIA 177)

LEASE NUMBER	LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
220951	USA-N-55938 RICHARD R. SUTTON	06/01/92	2 ALL, MDH (PRO DIA 177) 2S 59E 3 ALL, MDH (PRO DIA 177) 2S 59E 18 1S 58E
220952	USA-N-55937 RICHARD R. SUTTON	06/01/92	19 1S 58E 20 1S 58E 30 1S 58E 4 1S 58E 5 1S 58E 6 1S 58E 7 1S 58E LOTS 1-4, E/2, E/2 W/2, MDH LOTS 1-4, S/2 N/2, S/2, MDH LOTS 1-4, S/2 N/2, S/2, MDH LOTS 1-7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4, MDH LOTS 1-4, E/2, E/2 W/2, MDH

COPY

100035

FILED AND RECORDED AT REQUEST OF
Phillips Petroleum Company

March 1, 1993

TIME 01 MINUTES PAST 1 O'CLOCK
P.M. IN BOOK 105 OF OFFICIAL
RECORDS, PAGE 139 LINCOLN
COUNTY, NEVADA.

Yuriko setzer

COUNTY RECORDER
By Spencer Brucher, Deputy