

FORM 1000-2
January 1998

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: September 30, 1998

**ASSIGNMENT OF RECORD TITLE INTEREST IN A
RECEIVE LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**
Div. of Land Management

8:00 DEC 04 1998 Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
A.M. Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
NEVADA STATE OFFICE Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)
RENO, NEVADA

Lease Serial No.
N 24282
Lease Effective Date
(Anniversary Date)
3/1/91
New Lease Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* ANDEX RESOURCES, L.L.C.
Street 1001 FANNIN, SUITE 2000
City, State, ZIP Code HOUSTON, TX 77002

*If more than one assignor, check here and list the name(s) and address(es) of all additional assignors on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: (Check one) Oil and Gas Lease, or Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) Record Title, Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
TWP 7N, RGE 66E, MDM SEC 31: LOTS 1-4, E/2W/2, E/2	100%	100%	NONE	NONE	NONE
632.18 ACRES, ML LINCOLN COUNTY, NV					
SUBJECT TO THE TERMS AND CONDITIONS AS SET OUT IN EXHIBIT "A"					

FOR BLM USE ONLY - DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

Assignment approved for above described lands;

Assignment approved for attached land description

Assignment approved effective FEB 01 1999

Assignment approved for land description indicated on reverse of this form.

By Wayne M. Thomas
(Authorized Officer)

Minerals Adjudication Team Leader
(Title)
BOOK 141 PAGE 33
JAN 26 1999
(Date)

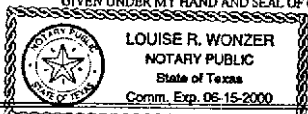
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Part A (Continued): ADDITIONAL SPACE for Names and addresses of additional assignees in Item No. 1, if needed, or for Land Description in Item No. 2 if needed

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, THE UNDERSIGNED AUTHORITY ON THIS DAY PERSONALLY APPEARED TOM L. DODDS, ATTORNEY-IN-FACT, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE EXECUTED THE SAME FOR THE PURPOSES AND CONSIDERATION THEREIN EXPRESSED.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 20 DAY OF NOVEMBER, 1998



Louise R. Wonzer
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.
2. Assignee certifies as follows: (a) Assignee is a citizen of the United States, an association of such citizens, a municipality, or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Assignee is not considered a minor under the law of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal transfers, an overriding royalty may not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignment is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 3RD day of NOVEMBER 19 98 Executed this _____ day of _____, 19__

Name of Assignor as shown on current lease ANDOVER PARTNERS
Please type or print

Assignor or _____ (Signature)

Assignee or _____ (Signature)

Attorney-in-fact *Tom L. Dodds*
TOM L. DODDS, ATTORNEY-IN-FACT

Attorney-in-fact _____ (Signature)

1001 FANNIN, SUITE 2000
(Assignor's Address)

HOUSTON, TX 77002
(City) (State) (Zip Code)

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time of reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Bureau Clearance Officer, (DW-110), Denver Federal Center, Building 40, P.O. Box 25047, Denver, CO 80225-0047 and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

Title 18 U.S.C. Sec. 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.

U.S. GPO: 1992-774-017/87023

RECEIVED

Office of Land Management

8:00 AM DEC 04 1998

Exhibit "A"

NEVADA STATE OFFICE OF LAND MANAGEMENT
BEND, NEVADA
Assignor does hereby transfer and assign unto Assignee all of Assignor's interest in and to the following property (Assignor's interest in the below-described property being referred to herein as the "Property"):

- (a) the Oil and Gas Lease described in the foregoing assignment to which this Exhibit "A" is attached, located in Lincoln County, Nevada, (the "Lease") and the lands covered by the Lease (the "Lands"), including all of Assignor's interest in all real property rights and estates in and to the Lease and Land;
- (b) the production from or attributable to the Lease from and after the Effective Time, as defined below;
- (c) all wells, equipment, machinery, and other personal property located on the Land, or used in the operation, production, storage, treatment or transportation of hydrocarbons, water, salt water, or other associated substances from the Land, to the extent used in connection with or attributable to the Lease; and
- (d) all contracts and agreements, including without limitation, all participation agreements, farmout and farmin agreements, operating agreements, pooling and unitization agreements, and other contracts and agreements, to extent that they are appurtenant to or affect the Lease (the "Contracts").

Assignee agrees to comply with all the express and implied covenants and obligations contained in the Lease after the Effective Time, insofar as such covenants and obligations relate to the interests in the Lease herein assigned. Assignee further hereby proportionately assumes all obligations, liabilities, and expenses arising under the Contracts after the Effective Time, to the extent they are attributable to the interest in the Contracts herein assigned.

Assignor does hereby bind itself, Assignor's successors and assigns, to warrant and forever defend all and singular title to the Property unto Assignee, Assignee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Assignor, but not otherwise, subject to the matters herein. Assignor grants to Assignee full rights of substitution and subrogation in and to all representations, warranties and covenants by Assignor's predecessors in title.

Assigned this 3rd day of November, 1998, but effective for all purposes as of July 1, 1998 at 7:00 a.m. local time at the Lease (the "Effective Time").

No. **112536**
FILED AND RECORDED AT REQUEST OF
ANDEX RESOURCES
MARCH 30, 1999
AT 40 MINUTES PAST 11 O'CLOCK
A. M. IN BOOK 141 OF OFFICIAL
RECORDS, PAGE 33 LINCOLN
COUNTY, NEVADA.

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LESLIE BOICHER
COUNTY RECORDER
Leslie Boicher DEPUTY