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**Official Record**

Recording requested By  
ROBERT E. FISCHER

Lincoln County - NV

Leslie Boucher - Recorder

Fee: \$44.00

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RPTT:

Recorded By: AE

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0128481

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL  
AND GAS OR GEOTHERMAL RESOURCES**

**OVERRIDING ROYALTY ASSIGNMENT**



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UNITED STATES

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB NO. 1004-0034  
Expires: July 31, 1992

Lease Serial No.

**TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES**

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
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)

Type or print plainly in ink and sign in ink.

1. Transferee (Sublessee)\* **PART A: TRANSFER**  
Street JKJB CORP.  
2591 South Jackson Street  
City, State, ZIP Code Denver, CO 80210

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

This transfer is for: (Check one)  Oil and Gas Lease, or  Geothermal Lease

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

2. This transfer (sublease) conveys the following interest:

Land Description  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.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned  b	Conveyed  c	Retained  d	Reserved  e	Previously reserved or conveyed  f
SEE EXHIBIT "A" - LEASE SCHEDULE, ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF, COVERING 5 FEDERAL OIL AND GAS LEASES WITH LANDS LOCATED IN LINCOLN COUNTY, NEVADA.  (Lime Mountain Prospect)		.875% ORRI			none

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

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

Transfer approved effective \_\_\_\_\_

By \_\_\_\_\_  
(Authorized Officer)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

PETER SCIAKY  
3526 Kirkwood Place  
Boulder, CO 80304-1938

CONVEYED  
.875% ORRI

STEVEN W. TERLECKI  
12 Spyglass Drive  
Littleton, CO 80123

.250% ORRI

STATE OF COLORADO )  
CITY & COUNTY OF DENVER ) ss

The foregoing instrument was acknowledged before me this 4th day of December, 2006, by George H. Fancher, Jr., Manager of FANCHER RESOURCES, LLC.

WITNESS my hand and official seal. M. Jeanne Henschen  
My commission expires: 6-02-2010 M. Jeanne Henschen, Notary Public

**PART B: CERTIFICATION AND REQUEST FOR APPROVAL**

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee 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 transfer of NPR-A leases, transferee 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) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee'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 transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee 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) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease; and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

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 transfer 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 \_\_\_\_\_ day of December, 12006 Executed this 25th day of January, 12007

Name of Transferor FANCHER RESOURCES, LLC  
Transferor [Signature]  
or George H. Fancher, Jr., Manager  
Attorney-in-fact \_\_\_\_\_  
1801 Broadway, Suite 720  
(Transferor's Address)  
Denver, Colorado 80202  
(City) (State) (Zip Code)

JKJB CORP.  
Transferee [Signature]  
or Robert E. Fischer (Signature) President  
Attorney in fact \_\_\_\_\_  
Peter Sciaky  
Steven W. Terlecki

**BURDEN HOURS STATEMENT**

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for 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, (Alternate) Bureau Clearance Officer, (WO-771), 18 and C Streets, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0034), Washington, D.C. 20503.

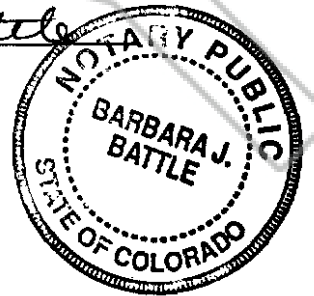
Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

STATE OF COLORADO }  
 }ss.  
COUNTY OF Denver }

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of January, 2007,  
by Robert E Fischer, as Agent of SEJB Corp

WITNESS my hand and official seal.

Barbara Battle  
Notary Public



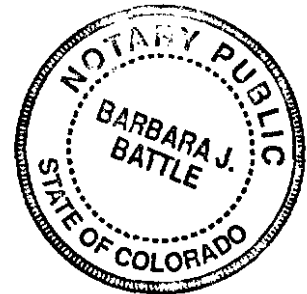
My commission expires: 06-12-2010

STATE OF COLORADO }  
 }ss.  
COUNTY OF Denver }

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of January, 2007  
by Steven W. Tellocki,

Witness my hand and official seal.

Barbara Battle  
Notary Public



My commission expires: 06-12-2010



PROSPECT: LIME MOUNTAIN PROSPECT  
COUNTY: LINCOLN  
STATE: NV  
LEASE STATUS: NP

LEASE NO	LESSOR	ORRI	ROYALTY	NRI	EXPIRE	LEASE DT	LESSEE	GROSS ACRE	NET ACRE	BOOK	PAGE
NV-25	USA N-82611		.00000000	.12500000	.87500000	11/01/16	11/01/06 FANCHER RESOURCE	160.00	160.000	225	375
	TOWNSHIP: 08S	RANGE: 70E	SECTION: 34				LEGAL DESCRIPTION: S/2S/2 (PROT)				
NV-26	USA N-82612		.00000000	.12500000	.87500000	11/01/16	11/01/06 FANCHER RESOURCE	1271.00	1271.000	225	366
	TOWNSHIP: 8S	RANGE: 70E	SECTION: 34				LEGAL DESCRIPTION: LOTS 1-4, S/2				
	8S	70E	35				LOT 4, SW/4, S/2SE/4				
	"	"	"				ALL IN TOWNSHIP 8-1/2SCOUTH				
NV-27	USA N-82598		.00000000	.12500000	.87500000	11/01/16	11/01/06 FANCHER RESOURCE	2560.00	2560.000	225	357
	TOWNSHIP: 9S	RANGE: 70E	SECTION: 13				LEGAL DESCRIPTION: ALL				
	9S	70E	14				ALL				
	9S	70E	23				ALL				
	9S	70E	24				ALL				
NV-28	USA N-82605		.00000000	.12500000	.87500000	11/01/16	11/01/06 FANCHER RESOURCE	2560.00	2560.000	225	348
	TOWNSHIP: 9S	RANGE: 71E	SECTION: 17				LEGAL DESCRIPTION: ALL				
	9S	71E	18				ALL				
	9S	71E	19				ALL				
	9S	71E	20				ALL				
NV-29	USA N-82607		.00000000	.12500000	.87500000	11/01/16	11/01/06 FANCHER RESOURCE	2560.00	2560.000	225	339
	TOWNSHIP: 9S	RANGE: 71E	SECTION: 29				LEGAL DESCRIPTION: ALL				
	9S	71E	30				ALL				
	9S	71E	31				ALL				
	9S	71E	32				ALL				

