

William R. Rand and  
Ella Rand, his wife,

to

The Travelers Insurance Co.,  
a Connecticut corporation.)

File No. 32155

ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE

ASSIGNMENT OF INTEREST IN OIL AND GAS LEASE

WHEREAS, THE TRAVELERS INSURANCE COMPANY, a Connecticut corporation, with its Home Office in Hartford, Connecticut, hereinafter referred to as Beneficiary, is the holder of a certain note bearing date of August 1, 1955, executed by WILLIAM R. RAND, also known as W. R. RAND, and ELLA M. RAND, also known as ELLA RAND, his wife; JOSEPH L. RAND AND ELLEN MARIE RAND, his wife; JOHN M. RAND, a single man; WILLIAM C. RAND, a single man; and SAMUEL ROWE and RACHEL SUSANNA ROWE, his wife, hereinafter referred to as Assignors, representing a loan of \$42,000.00, which said note is secured by a deed of trust of even date therewith, covering certain real property situate in the County of Eureka, State of Nevada, for a particular description of which real property reference is hereby made to said deed of trust;

WHEREAS, HENRY C. MERRICK, and BESSIE C. MERRICK, his wife, and JERRY A. MERRICK, as Lessors, by Oil and gas mining lease dated February 1, 1950, leased for oil and gas a portion of parcel 2 of the real property described in said deed of trust to IRVIN PUETT, of Carlin, Nevada, as Lessee, for a primary term of ten years, which lease was recorded in Book F of Miscellaneous at Page 163, Eureka County, Nevada, records; and thereafter the said Lessors in said lease named granted and conveyed to WILLIAM R. RAND, also known as W. R. RAND, and ELLA M. RAND, also known as ELLA RAND, of the Assignors above named, the portion of real property referred to as being covered by said oil and gas mining lease and in said conveyance said Lessors included a grant of all mineral rights, including petroleum and gas products thereon; and

WHEREAS, the Assignors, WILLIAM R. RAND and ELLA RAND, his wife, as successors in interest to the above named Lessors in said oil and gas lease, in consideration of the loan aforesaid, are willing, subject to the following conditions, to assign, transfer and set over to the Beneficiary any and all right, title and interest that said Assignors may have under the terms of said lease by reason of the aforesaid grant and conveyance in and to any and all profits, bonuses, delay rentals, royalties and other things of value under said lease, and to authorize payment thereof to said Beneficiary;

NOW, THEREFORE, in consideration of the premises:

1. The undersigned do hereby assign, transfer and set over to said THE TRAVELERS INSURANCE COMPANY, Beneficiary, all of their right, title and interest in and to said lease and in and to said bonuses, delay rentals and royalties under said lease, and do hereby authorize and direct the Lessee to pay and all bonuses, delay rentals and royalties that are now and which may hereafter become due and payable to the undersigned under the said lease to said THE TRAVELERS INSURANCE COMPANY, Beneficiary, until such time as the Beneficiary shall give to the Lessee written notice that the above described indebtedness has been fully paid; the undersigned agree that the receipt of the Beneficiary for said bonuses, delay rentals and royalties shall be binding upon the undersigned, and Lessee shall not be bound to see that any agreement between the undersigned and the Beneficiary for the disposition of said money so paid is properly complied with by Beneficiary.

2. This assignment is made as further and additional security for said loan in the sum of \$42,000.00, made by Beneficiary to the undersigned as evidenced by said promissory

note bearing date August 1, 1955, and secured by deed of trust of even date therewith; and only in the event of any default by the undersigned under the terms, conditions, covenants and agreements of said promissory note, and of said deed of trust, including but without limiting the generality of the foregoing, any default in payment of principal or interest as the same may become due, taxes on real property, or fire insurance premiums as provided in said promissory note and deed of trust, THE TRAVELERS INSURANCE COMPANY, Beneficiary hereunder, may at its option without further notice to or demand upon the undersigned take all lawful means, either in the names of the undersigned, or otherwise, to collect the aforesaid bonuses, delay rentals and royalties as the same may become due, and also may at its option enforce all the terms, conditions and covenants of said lease and any extensions thereof in the names of the undersigned, or otherwise, against the named Lessee or its successors in interest; provided, that nothing herein contained shall be construed as obligating the said Beneficiary to collect said bonuses, delay rentals and royalties, or any part thereof, or to enforce or require a performance of any of the conditions, covenants, promises or agreements in said lease contained.

The Lessee in said lease named is hereby authorized and directed, upon request from said Beneficiary hereunder, to pay or cause to be paid to the Beneficiary hereunder said bonuses, delay rentals and royalties as the same may become due.

A release of said note and lien duly executed by the Beneficiary shall operate to retransfer to the undersigned all right hereby transferred.

It is understood and agreed, however, that regardless of whether the indebtedness is in good standing, in default, or completely paid, this assignment shall be and remain in full force and effect as to Lessee, until 30 days after Lessee, its successors and assigns, shall have been furnished with a full and clear release of said lien or a certified copy of such release, after which this assignment shall become inoperative and of no further force or effect.

3. It is agreed between the undersigned and Beneficiary that any money paid to the Beneficiary under this transfer shall be applied by the Beneficiary as follows:

(a) To the satisfaction of any and all advancements, including insurance premium payments, made by the Beneficiary under the covenants contained in said deed of trust, together with interest thereon as provided in said deed of trust.

(b) To the satisfaction of any items of principal and interest past due under the terms of said note and deed of trust.

(c) To the payment of any taxes against the security described in said deed of trust which are due any taxing authority and unpaid.

(d) If there is a balance of money on hand after satisfaction of any existing default in the performance of the terms of said loan contract, it is agreed that the Beneficiary may at its option apply any money received under the terms of this assignment to any portion of the principal of the note secured by said deed of trust not then due. In the event that the Beneficiary does not elect to exercise this option, it is agreed that the money so received by the Beneficiary under the terms of this assignment, to the extent that the same is not necessary to pay existing delinquencies, shall be delivered to the undersigned, their heirs, personal representatives or assigns. The Beneficiary shall not be required to take notice of any assignment executed by the undersigned of the undersigned's right hereunder until written notice has been delivered to THE TRAVELERS INSURANCE COMPANY at Hartford, Connecticut.

4. The acceptance of this assignment shall not be construed as a waiver or release of the lien of the said deed of trust on the said property or the minerals thereunder, and shall not affect any interest other than that granted by the undersigned to the Lessee in the Lease above mentioned.

5. The Beneficiary hereunder upon acceptance of this assignment assumes no obligations or liabilities to the Lessee under said lease, and the undersigned as Lessor shall remain bound by, and shall not be relieved from the terms, provisions, conditions, covenants, promises and agreements in said lease contained, notwithstanding this assignment.

6. The terms "undersigned," "Beneficiary," "Lessor" and "Lessee" used in this agreement shall be held to include the said parties, their heirs, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned, WILLIAM R. RAND and ELLA RAND, his wife, have executed this assignment by setting their hands, hereto this 3rd day of November, 1955.

William R. Rand

Ella M. Rand

STATE OF NEVADA, )  
                          ) ss.  
County of Elko. )

On this 3rd day of November, A.D., one thousand nine hundred and fifty-five, personally appeared before me, EMERSON J. WILSON, a Notary Public in and for the said County of Washoe, WILLIAM R. RAND and ELLA M. RAND known to me to be the persons described in and who executed the foregoing instrument, who acknowledged to me that they executed the same freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of Elko, the day and year in this certificate first above written.

(Notarial Seal) Emerson J. Wilson  
Notary Public in and for the County  
of Washoe, State of Nevada

Recorded at the Request of Nevada Title Guaranty Co., November 4 A.D., 1955 At 48 minutes past 4 P.M.

E. B. Crane--Recorder.  
By Angela Evans--Deputy.