

OVERRIDING ROYALTY ASSIGNMENT

STATE OF NEVADA  
 COUNTY OF EUREKA

KNOW ALL MEN BY THESE PRESENTS:

THAT BUTTES RESOURCES COMPANY, a Delaware corporation with offices at 12700 Hillcrest Road, Suite 240, Dallas, TX 75230 (hereinafter called "Assignor") for and in consideration of the sum of \$10 cash in hand paid together with other consideration to BUTTES RESOURCES COMPANY by HARRY K. VEAL and FAYE J. VEAL, his wife and SUZANNE D. BUCY and M. PEYTON BUCY, her husband, with offices at 1776 Lincoln St., Denver, CO 80203 (hereinafter called "Assignees"), the said BUTTES RESOURCES COMPANY has granted, bargained, sold and conveyed and does by these presents hereby grant, bargain, sell, assign and convey unto HARRY K. VEAL and FAYE J. VEAL, his wife and SUZANNE D. BUCY and M. PEYTON BUCY, her husband one quarter each of a 5% of 8/8ths overriding royalty in the oil, gas and other minerals (except sulphur) produced, saved and marketed, and proportionate cents per long ton of sulphur produced, saved and marketed, under the terms and provisions of the Oil, Gas and Mineral Leases described in Exhibit "A" attached hereto hereinafter called "Subject Leases" to-wit:

The overriding royalty herein conveyed shall be paid or delivered to Assignee in the same manner, by the same method, at the same time and under the same conditions as is provided in Subject Leases for the payment and delivery of royalty to the Lessors thereof.

This Overriding Royalty Assignment shall impose no obligation on Assignor, either expressed or implied, to keep and maintain Subject Leases in force and effect, either by the payment of rentals, compensatory royalties or other payments or to drill or develop the lands covered by same. Assignee is to receive the overriding royalty interest in production only out of oil, gas and other minerals if, as and when produced, saved and marketed at the will of Assignor. Assignor shall have the right at any time, and from time to time, at Assignor's election to surrender or abandon Subject Leases in whole or in part, without liability of any kind whatsoever to the Assignee. In case of such surrender or abandonment, Assignor may release Subject Lands directly to the Lessor thereof.

Assignor herein reserves the unrestricted right at Assignor's option without the consent or joinder of Assignee from time to time or at any time to enter into any agreement or amendment Assignor deems fit and proper with the Lessor of Subject Leases amending, supplementing or reforming any of the provisions and terms of Subject Leases; provided that the overriding royalty herein conveyed shall be applicable to Subject Leases as amended, supplemented, extended or reformed.

The overriding royalty interest herein conveyed shall bear its proportion of all severance, production, gathering or any other taxes now or hereafter applicable thereto or affecting same and shall be computed only after deducting its proportionate part of all minerals used for operations upon the lands covered by Subject Leases or upon any unit comprising all or any portion of same.

In the event Subject Leases cover less than the 100% of the full and entire undivided interest in and to all the lands covered thereby and in and to all the mineral rights relating thereto (whether or not Subject Leases only purport to cover a lesser interest) or in the event the Assignor owns less than 100% interest in said leases, then in that event, the overriding royalty herein conveyed as to the lands in which Subject Leases do not cover such 100% of the full and entire undivided interest shall be reduced to the proportion thereof which the interest covered by Subject Leases bears to such 100% of the full and entire undivided interest.

Assignor hereby reserves the right at its election to pool and unitize Subject Leases or any of them with each other or with other leases or lands in the same manner and with the same effect as authorized under the terms of Subject Leases as now constituted or as hereafter amended, or as may be hereafter authorized by the Lessors thereof. In the event of such unitization in lieu of the overriding royalty herein assigned, Assignee shall receive from the production of the unit or units so pooled only such proportion of such overriding royalty hereinabove specified as the total amount of Assignee's acreage (mineral rights) placed in the unit or units bears to the total acreage (mineral rights) so pooled in a particular unit or units involved.

This conveyance is made without warranty of title either expressed or implied.

The provisions hereof shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors and assigns.

EXECUTED THIS 3rd day of November, 1980.

ATTEST:



BUTTES RESOURCES COMPANY

By:

Charles K. Popkess  
Charles K. Popkess  
Assistant Secretary

By:

Don F. Tankersley  
Don F. Tankersley  
President

ACKNOWLEDGMENT

STATE OF TEXAS  
COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared DON F. TANKERSLEY, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said BUTTES RESOURCES COMPANY, a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN under my hand and seal of office this 3rd day of November, 1980.

My Commission Expires:

April 10, 1984



Teresa A. McCollam  
Notary Public in and for the State  
of Texas

EXHIBIT "A"

Attached to and made a part of that certain Overriding Royalty Assignment dated November 3, 1980 by and between Buttes Resources Company and Harry and Faye Veal and Suzanne & M. Peyton Bucy

LEASE NO.	DATE	LESSOR	LESSEE	RECORDED		DESCRIPTION
				BOOK	PAGE	
100 A	2-12-79	D. R. Smith, et ux	Transcontinent Oil Company of Denver	69	469	Township 20N, Range 49E Sec. 8: N/2SE/4 Sec. 9: SW/4 Sec. 16: NE/4NW/4, NW/4NE/4  Township 21N, Range 48E Sec. 35: NE/4SW/4, NW/4SE/4  Township 22N, Range 48E Sec. 36: E/2NE/4, NE/4SE/4
101	1-31-79	Peter Damele, et al	Transcontinent Oil Company of Denver	69	250	Township 19N, Range 49E Sec. 4: W/2SW/4, NE/4SW/4, S/2NW/4, SW/4NE/4 Sec. 5: NE/4SE/4, SE/4NE/4
102	10-1-79	N-21634	BUTTES RESOURCES COMPANY	0000	0000	Township 16N, Range 51E Sec. 11: A11 Sec. 12: A11 Sec. 13: A11
103	3-1-80	N-18623	BUTTES RESOURCES COMPANY	0000	0000	Township 18N, Range 51E Sec. 15: A11

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				BOOK	PAGE	
104	3-1-80	N-18624	BUTTES RESOURCES COMPANY	0000	0000	Township 18N, Range 51E Sec. 27: A11 Sec. 34: A11
105	3-1-80	N-18631	BUTTES RESOURCES COMPANY	0000	0000	Township 18N, Range 51E Sec. 3: Lots 1-4, S/2N/2, S/2 (A11) Sec. 10: A11
106	3-1-80	N-18632	BUTTES RESOURCES COMPANY	0000	0000	Township 18N, Range 51E Sec. 22: A11

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OFFICIAL RECORDS  
EDMUND COUNTY, NEVADA  
WALLIS A. GIBBY, CLERK  
FILE NO. 18819  
FEE \$ 6.00

91 FEB 9 AM 10

RECORDED AT REQUEST OF  
Buttes Resources Co.  
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