

STATE OF NEVADA

COUNTIES OF ELKO, EUREKA, WHITE PINE

This assignment of Overriding Royalty made and entered into this 16th day of September 1981, by and between UNIVERSAL FUELS COMPANY, a Colorado Corporation, 238 Denver Club Building, Denver, Colorado 80202 and CHARLES A. SHEAR, whose address is P.O. Box 2665, Grand Junction, Colorado 81502 hereinafter called "ASSIGNORS", and WILFRED L. GRAY, whose address is Suite 1150, 999-18th Street, Denver, Colorado, 80202, hereinafter called "ASSIGNEE";

WITNESSETH, that for adequate consideration, the receipt and sufficiency of which is hereby acknowledged, "Assignors," do hereby BARGAIN, SELL, and CONVEY unto "Assignee," an overriding royalty equal to two percent of eight-eighths (2% of 8/8ths) of all oil and gas produced, saved and sold from the lands described on the attached Exhibit "A" during the terms of the respective leases described in such Exhibit. Said overriding royalty shall be free and clear of all costs of development and operations, but subject to its proportionate part of applicable ad valorem, production, severance, Windfall Profit and similar taxes. The overriding royalty interest herein provided for shall not, in any event, be paid or accrued upon any oil, gas, casinghead gas and other hydrocarbon substances used for operating, development or production purposes upon the above described lands or unavoidably lost; and no overriding royalty shall be paid upon gas used for repressuring or recycling operations or pressure maintenance operations benefitting said lands.

If the Assignors interests in the oil and gas leases described in Exhibit "A" is less than the entire interest, or if said oil and gas leases cover less than the entire oil and gas estate in the lands described therein, then the overriding royalty herein reserved as to such lease shall be proportionately reduced.

This assignment shall not imply any leasehold preservation, drilling or development obligation on the part of "Assignors".

This overriding royalty as to oil shall be subject to the provisions of 43 C.F.R. 3103.3-6 to the extent that said regulation is applicable to Bureau of Land Management Regulations.

"Assignors" reserve the right to commit the overriding royalty herein conveyed to such communitization agreements and unitization agreements as are approved by the Bureau of Land Management or other designee of the Secretary of the Interior with respect to the federal oil and gas leases.

"Assignors" warrant that they own the leases or interests described in Exhibit "A", that they have good right and authority to sell the interest herein purported to be conveyed, that they have not mortgaged, pledged or otherwise encumbered or burdened the leases in such manner as will adversely affect said overriding royalty interest and that they will defend the title to the interest herein conveyed by, through and under Assignors but not otherwise.

This conveyance is executed subject to the following:

1. All of the terms, provisions and stipulations as set forth in the leases; and
2. That certain verbal agreement made under date of August 28, 1981 by and between Assignors/Assignee.

EXECUTED this 16<sup>th</sup> day of September, 1981.

ATTEST:

ATTEST:

UNIVERSAL FUELS COMPANY

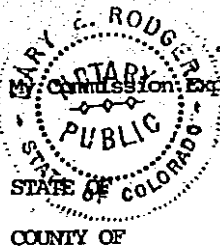
William E. Ambrose  
William E. Ambrose, President

Charles A. Shear  
Charles A. Shear

STATE OF COLORADO X  
X  
COUNTY OF DENVER X

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, duly commissioned and sworn, on this day personally appeared WILLIAM E. AMBROSE, PRESIDENT, UNIVERSAL FUELS COMPANY, a Colorado Corporation, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that such corporation executed said instrument pursuant to its By-Laws or a resolution of its Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 16<sup>th</sup> day of September, 1981.



My Commission Expires: 8-3-83

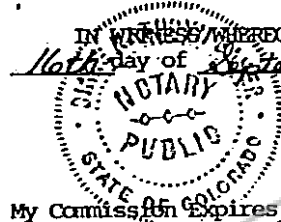
STATE OF COLORADO  
COUNTY OF

X  
X  
X

*Mary E. Rodgers*  
NOTARY PUBLIC

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, duly commissioned and sworn, on this day personally appeared CHARLES A. SHEAR, known to me to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 16<sup>th</sup> day of September, 1981



My Commission Expires September 6, 1983

*Diane Kathryn Baker*  
NOTARY PUBLIC

## EXHIBIT "A"

Attached to and made a part of that Assignment of Overriding Royalty Interest dated SEPTEMBER 16, 1981 from UNIVERSAL FUELS COMPANY, and CHARLES A. SHEAR, as ASSIGNORS, to WILFRED L. GRAY, as ASSIGNEE.

Lessor	Lessee	Lease Date Expiration Date	Legal Description	Acres	
				Gross	Net
USA BLM N-31103	Universal Fuels Company	4-1-81 4-1-91	T21N - R51E, Eureka Co., Nevada MDM	7678.00	7678.00
			Sec. 1: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL)		
			Sec. 2: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL)		
			Sec. 11: ALL		
			Sec. 12: ALL		
			Sec. 13: ALL		
			Sec. 14: ALL		
			Sec. 23: ALL		
			Sec. 24: ALL		
			Sec. 25: ALL		
			Sec. 26: ALL		
			Sec. 35: ALL		
			Sec. 36: ALL		
USA BLM N-31104	Universal Fuels Company	4-1-81 4-1-91	T24N-R54E, Eureka Co., Nevada MDM	6703.00	6703.00
			Sec. 2: ALL		
			T25N - R54E, Eureka Co., Nevada MDM		
			Sec. 10: ALL		
			Sec. 11: ALL		
			Sec. 14: ALL		
			Sec. 15: ALL		
			Sec. 22: ALL		
			Sec. 23: ALL		
			Sec. 26: E $\frac{1}{2}$ , SW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$		
			Sec. 27: W $\frac{1}{2}$ , SE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$		
			Sec. 34: ALL		
			Sec. 35: ALL		

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Lessor	Lessee	Lease Date Expiration Date	Legal Description	Acres	
				Gross	Net
USA BLM N-31097	Universal Fuels Co.	4-1-81	T30N - R65E, Elko Co., Nevada MDM	6315.24	6315.24
		4-1-91	Sec. 1: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 3: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 5: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 7: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ (ALL) Sec. 19: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ (ALL) Sec. 27: ALL Sec. 31: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ (ALL) Sec. 33: ALL Sec. 35: ALL		
USA BLM N-31102	Universal Fuels Co.	4-1-81	T21N - R66E, White Pine Co., Nevada MDM	9677.05	9677.05
		4-1-91	Sec. 2: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 3: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 4: Lots 1,2,4. SW $\frac{1}{2}$ NW $\frac{1}{2}$ , SE $\frac{1}{2}$ NE $\frac{1}{2}$ , SW $\frac{1}{2}$ SW $\frac{1}{2}$ SE $\frac{1}{2}$ Sec. 5: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 8: ALL Sec. 9: NE $\frac{1}{2}$ , S $\frac{1}{2}$ Sec. 10: ALL Sec. 15: ALL Sec. 16: ALL Sec. 17: ALL Sec. 20: ALL Sec. 21: ALL Sec. 22: ALL Sec. 23: ALL Sec. 26: N $\frac{1}{2}$ N $\frac{1}{2}$ Sec. 27: N $\frac{1}{2}$ Sec. 28: N $\frac{1}{2}$ Sec. 29: N $\frac{1}{2}$		

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Lessor	Lessee	Lease Date Expiration Date	Legal Description	Acres	
				Gross	Net
USA BLM N-31101	Universal Fuels Company	4-1-81	T21N - R67E, White Pine Co., Nevada MDM	8307.00	8307.00
		4-1-91	Sec. 5: ALL Sec. 6: ALL Sec. 7: ALL Sec. 8: ALL Sec. 17: ALL Sec. 18: ALL Sec. 19: ALL		
USA BLM N-31309	Charles A. Shear	6-1-81	T21N - R66E, White Pine Co., Nevada MDM		
		6-1-91	Sec. 1: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$ (ALL) Sec. 11: ALL Sec. 12: ALL Sec. 13: ALL Sec. 14: ALL Sec. 24: ALL		
USA BLM N-31309	Charles A. Shear	6-1-81	T32N - R63E, Elko Co., Nevada MDM	4470.68	4470.68
		6-1-91	Sec. 20: ALL Sec. 21: ALL Sec. 28: ALL Sec. 29: ALL Sec. 30: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ (ALL) Sec. 31: Lots 1,2,3,4, E $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ (ALL) Sec. 32: ALL		

USA  
BLM N-31309  
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Lessor	Lessee	Lease Date Expiration Date	Legal Description	Acres	
				Gross	Net
USA BLM N-31310	Charles A. Shear	6-1-81 6-1-91	T22N - R67E, White Pine Co., Nevada MDM	8942.00	8942.00
			Sec. 3: ALL		
			Sec. 4: ALL		
			Sec. 8: ALL		
			Sec. 9: ALL		
			Sec. 10: ALL		
			Sec. 16: ALL		
			Sec. 17: ALL		
			Sec. 20: ALL		
			Sec. 21: ALL		
			Sec. 29: ALL		
			Sec. 30: ALL		
			Sec. 31: ALL		
			Sec. 32: ALL		
			Sec. 19: ALL		

RECORDED AT REQUEST OF  
CANDERA Exploration, Inc.  
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82 APR 8 A10:55

OFFICIAL RECORDS  
EUREKA COUNTY, NEVADA  
WILFRED L. GRAY  
FILE NO. 84078  
FEE \$ 9.00

FEE \$9.00 FILE 219292  
FILED FOR RECORD -

AT THE OFFICE OF

CANDERA EXPLORATION, INC. 92  
82 MAR 29 A9:21

RECORDED IN EUREKA COUNTY, NEVADA  
WILFRED L. GRAY  
WHITE PINE COUNTY RECORDER  
50 205/210

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