

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST

STATE OF NEVADA

KNOW ALL MEN BY THESE PRESENTS:

COUNTIES OF ELKO,
& EUREKA

THAT HARRY H. CULLEN, HHC 1976 EXPLORATION LIMITED PARTNERSHIP, RHC,
1976 EXPLORATION LIMITED PARTNERSHIP, CCL 1976 EXPLORATION LIMITED PARTNERSHIP, and
DOUGLAS B. MARSHALL, P. O. Box 3331, Houston, Texas 77253

(hereinafter referred to as Assignor, whether one or more) for and in consideration of the sum of TEN AND NO/100 (\$10.00)

DOLLARS,

cash in hand paid to Assignor by Gerald G. Loucks, 1001 Empire Savings Bldg.,
650 17th Street, Denver, Colorado 80202

(hereinafter referred to as Assignee, whether one or more) the receipt of which is hereby acknowledged, do hereby TRANSFER, BARGAIN, SELL and ASSIGN unto said Assignee the following described overriding royalty interests:

an overriding royalty equal to one percent (1%) of eight-eighths (8/8) of all oil, gas and other hydrocarbon substances produced, saved and marketed under and by virtue of the provisions of those certain Federal oil and gas leases described in Exhibit "A" which is attached hereto and made a part hereof for all purposes, covering lands situated in Elko and Eureka Counties, Nevada.

Notwithstanding anything hereinabove to the contrary, the obligation to pay any overriding royalties or payments out of production of oil created herein under the Federal oil and gas leases described in Exhibit "A" hereto, which, when added to overriding royalties or payments out of production previously created and to the royalty payable to the United States, aggregate in excess of 17 1/2 percent, shall be suspended when the average production of oil per well per day averaged on the monthly basis is 15 barrels or less.

This assignment of overriding royalty interests is subject to the terms and provisions of said lease or leases described herein, and any amendments or modifications of said lease or leases heretofore or hereafter made, and Assignee agrees that any such amendments or modifications may be made without the consent or joinder of Assignee herein.

Said overriding royalty interests shall be free and clear of all drilling, developing, and operating costs and expenses, but Assignee shall bear and pay all taxes of every nature whatever which may now or hereafter be applicable to or in any manner connected with or a lien upon Assignee's overriding royalty interest or the production attributable thereto, including without limitation all production, severance, gathering, transportation or similar taxes attributable to Assignee's interest. It is expressly provided that no overriding royalties shall be paid or shall accrue upon any oil, gas, casinghead gas, or other hydrocarbon substances used for operating, development, or production purposes upon the lands described herein or in treating said products to make them marketable, or unavoidably lost. No overriding royalties shall be payable upon gas and casinghead gas used for recycling or repressuring operations benefiting said lands. Such overriding royalties shall be paid or delivered to Assignee in the same manner as that provided in said lease or leases for the payment of royalty to the Lessor therein.

BOOK 107 PAGE 266

BOOK 411 PAGE 143 ORIGINAL

No obligations, either express or implied, shall arise by reason of the assignment herein to Assignee of overriding royalty interests, which shall obligate Assignor to keep and maintain the said lease or leases in force and effect either by the payment of rentals, compensatory royalties, or other payments, or by the drilling of any wells upon the lands with respect to which overriding royalty interests in said lease or leases are herein assigned, it being expressly understood that Assignee is to receive said overriding royalty interests in such production only out of the oil, gas and other hydrocarbon substances if, as, and when produced and saved at the will of the Assignor from said lands under the terms and provisions of said lease or leases, and Assignor herein, his, its or their heirs, successors, assigns, and/or legal representatives may release said lease or leases or any part thereof at will and without liability to Assignee, his, its or their heirs, successors, assigns and/or legal representatives.

If for any reason the interest acquired by Assignor in said lease or leases is less than the entire leasehold interests in all or any portion of the lands covered thereby, whether said lesser interest is specified in said lease or not, or if for any reason title should fail as to all or part of the leasehold interest acquired by Assignor, or if for any reason the interest acquired by Assignor in said leasehold estate is less than that purportedly acquired by or assigned to the Assignor, then the overriding royalty interests herein assigned to said Assignee shall be reduced proportionately with respect to such property.


Assignor hereby reserves unto himself the right at any time, without the consent of Assignee, to commit said oil and gas lease or leases, or any part thereof, and/or the overriding royalty interest herein granted, or any part thereof, to any cooperative or unit plan or plans of operation or development which may result in merging and unitizing the land last above described, either in whole or in part, with other lands, and which may be acceptable to the Secretary of the Interior under Section 27 of the Act of Congress approved February 25, 1920 (41 Stat. 437), as amended, or under any other applicable laws, rules or regulations hereafter passed or promulgated; and if any such unit of cooperative plan of operation or development is so adopted, and is so approved by the Secretary of the Interior, if such approval be required, the overriding royalty interest of Assignee applicable to that portion of the above described land which is included within such plan shall be computed on the basis of the production from the unitized area properly allocable to that portion of the property described above which is encompassed within said unit or cooperative plan, in accordance with the provisions of such plan.

This assignment is subject to the applicable statutes, rules, and regulations of any governmental authority having jurisdiction.

TO HAVE AND TO HOLD the overriding royalty interests hereinabove assigned unto the said Assignee for and during the term or terms and according to the terms and conditions of said lease or leases. Assignor herein warrants the title to said overriding royalty interests herein assigned by, through or under him, but not otherwise.

All of the provisions hereof shall extend to and be binding upon Assignor and Assignee and their heirs, successors, assigns and legal representatives.

IN WITNESS WHEREOF, this instrument is executed this 12th day of October, 1982.


HARRY H. COLLEEN

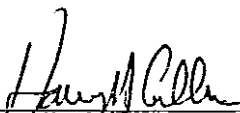
Page 2 and First Signature Page to Assignment of 1% of 8/8ths Overriding Royalty Interest to Gerald G. Loucks, Bruffy Seep Area, Elko and Eureka Counties, Nevada.

DECK 107 PAGE 267

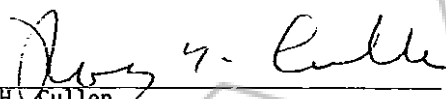
BOOK 411 PAGE 144

ORIGINAL


HHC 1976 EXPLORATION LIMITED PARTNERSHIP


Harry H. Cullen
Managing General Partner

RHC 1976 EXPLORATION LIMITED PARTNERSHIP


Roy H. Cullen
Managing General Partner

CCL 1976 EXPLORATION LIMITED PARTNERSHIP


Cornelia Cullen Long
Managing General Partner


Douglas B. Marshall

Page 3 and Second Signature Page to Assignment of 1% of 8/8ths Overriding Royalty
Interest to Gerald G. Loucks, Bruffy Seep Area, Elko and Eureka Counties, Nevada

BOOK 107 PAGE 268

BOOK 411 PAGE 145
ORIGINAL

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared HARRY H. CULLEN, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 12th day of October, 1982.



BERNICE K. BRENTZEL
Notary Public, State of Texas
My Commission Expires June 30, 1984

Bernice K. Brentzel
Notary Public

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared HARRY H. CULLEN, as Managing General Partner of HHC 1976 EXPLORATION LIMITED PARTNERSHIP, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the free act and deed of said partnership for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 9th day of December, 1982



BERNICE K. BRENTZEL
Notary Public, State of Texas
My Commission Expires June 30, 1984

Bernice K. Brentzel
Notary Public

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared ROY H. CULLEN, as Managing General Partner of RHC 1976 EXPLORATION LIMITED PARTNERSHIP, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the free act and deed of said partnership for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 9th day of December, 1982



BERNICE K. BRENTZEL
Notary Public, State of Texas
My Commission Expires June 30, 1984

Bernice K. Brentzel
Notary Public

BOOK 411 PAGE 146

ORIGINAL

BOOK 107 PAGE 269

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared CORNELIA CULLEN LONG, as Managing General Partner of CCL 1976 EXPLORATION LIMITED PARTNERSHIP, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same as the free act and deed of said partnership for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 9th day of December, 1982.



BERNICE K. BRENTZEL
Notary Public, State of Texas
My Commission Expires JUN 30, 1984

Bernice K. Brentzel
Notary Public

STATE OF TEXAS

COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared DOUGLAS B. MARSHALL, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free act and deed for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office this 9th day of December, 1982.



BERNICE K. BRENTZEL
Notary Public, State of Texas
My Commission Expires JUN 30, 1984

Bernice K. Brentzel
Notary Public

BOOK 411 PAGE 147

BOOK 07 PAGE 270

ORIGINAL

EXHIBIT "A" TO ASSIGNMENT OF 1% OF 8/8ths OVERRIDING ROYALTY INTEREST
TO GERALD G. LOUCKS, BRUFY SEEP AREA, ELKO AND EUREKA COUNTIES, NEVADA

Serial Number: N - 32278
Effective Date: July 1, 1981
Lands Covered: T. 29 N., R 52 E., MD Meridian
Section 12: All
T 29 N., R 53 E., MD Meridian
Section 2: Lots 2,3,4, SW $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{2}$, W $\frac{1}{2}$ SE $\frac{1}{4}$
Section 6: Lots 1,2,3,4,5,6,7, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 33: S $\frac{1}{2}$
Containing 2165.45 acres, more or less, in Elko
County, Nevada

Serial Number: N - 32279
Effective Date: July 1, 1981
Lands Covered: T. 27 N., R 52 E., MD Meridian
Section 12: All
Section 24: All
Section 36: All
Containing 1920.00 acres, more or less, in Eureka
County, Nevada

Serial Number: N - 32280
Effective Date: July 1, 1981
Lands Covered: T. 28 N., R 52 E., MD Meridian
Section 13: E $\frac{1}{2}$ NE $\frac{1}{4}$
Section 36: E $\frac{1}{2}$
T. 28 N., R 53 E., MD Meridian
Section 5: Lots 1,2,3,4, S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ (all)
Section 7: Lots 1,2,3,4, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ (all)
Section 17: All
Section 30: Lots 1,2,3,4, E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ (all)
Section 32: All
Containing 3658.84 acres, more or less, in Eureka &
Elko Counties, Nevada

Serial Number: N - 32281
Effective Date: July 1, 1981
Lands Covered: T. 26 N., R 52 E., MD Meridian
Section 12: All
Section 14: E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 24: All
Section 35: All
Section 36: All
T. 26 N., R 53 E., MD Meridian
Section 6: Lots 1,2,3,4,5,6,7,8,9,10,11,12,13,14,
S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
Containing 3859.36 acres, more or less, in Eureka
County, Nevada

Serial Number: N - 32282
Effective Date: July 1, 1981
Lands Covered: T. 31 N., R 53 E., MD Meridian
Section 8: All
Section 16: All
Section 20: All
Section 28: All
Containing 2560.00 acres, more or less, in Elko
County, Nevada

EXHIBIT "A" TO ASSIGNMENT OF 1% OF 8/8ths OVERRIDING ROYALTY INTEREST
TO GERALD G. LOUCKS, BRUFY SEEP AREA, ELKO AND EUREKA COUNTIES, NEVADA

Serial Number: N - 32283
Effective Date: September 1, 1981
Lands Covered: T. 27 N., R 53 E., MD Meridian
Section 2: Lots 3,4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$
Section 4: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)
Section 6: Lots 1 thru 11, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$,
SE $\frac{1}{4}$ (all)
Section 8: All
Section 10: All
Section 11: W $\frac{1}{2}$
Section 14: W $\frac{1}{2}$
Section 16: All
Section 18: Lots 1 thru 8, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all)
Section 20: All
Section 22: All
Section 23: W $\frac{1}{2}$
Section 26: NW $\frac{1}{4}$
Section 28: All
Section 30: Lots 1 thru 8, E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$ (all)
Section 32: All, excl. ME patents
Containing 8647.15 acres, more or less, in Elko &
Eureka Counties, Nevada

Serial Number: N - 32285
Effective Date: July 1, 1981
Lands Covered: T. 28 N., R 53 E., MD Meridian
Section 1: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)
Section 3: Lots 1,2,3,4, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ (all)
Section 9: All
Section 11: All
Section 12: All
Section 13: All
Section 15: All
Section 21: All
Section 23: All
Section 25: All
Section 28: All
Section 35: All
Section 36: All
Containing 8297.84 acres, more or less, in Elko
County, Nevada

Serial Number: N - 32287
Effective Date: July 1, 1981
Lands Covered: T. 30 N., R 53 E., MD Meridian
Section 6: Lots 1,2,3,4, (all)
Section 10: W $\frac{1}{2}$ NW $\frac{1}{4}$
Section 18: Lots 1,2,3,4, (all)
Section 22: SW $\frac{1}{4}$
Section 24: SW $\frac{1}{4}$
Section 26: All
Section 30: Lots 1,2,3,4, (all)
Section 36: W $\frac{1}{2}$
Containing 1946.05 acres, more or less, in Elko
County, Nevada

RECORDED AT REQUEST OF
Gerald G. Loucks
BOOK 107 PAGE 266

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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
WILLIS A. DEPAOLI, RECORDER
FILE NO. 86029
FEE \$ 10.00

BOOK 107 PAGE 272

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FE: 410.00 171426
FILED FOR RECORD
AT REQUEST OF
Gerald G. Loucks
82 DEC 17 P 3: 53

RECORDED BY 411 142
JERRY D. REYNOLDS
ELKO CO. RECORDER

INDEXED

BOOK 411 PAGE 149

ORIGINAL