

This Overriding Royalty Assignment, made this 5th day of May, 1988, by and between

John R. Kerns

whose address is P. O. Box 613, Casper, WY 82602

hereinafter called Lessee; and Tyrex Oil Company

whose address is P. O. Box 2459, Casper, WY 82602

hereinafter called Assignee:

Witnesseth:

Whereas, Lessee is the owner of and has been granted an Oil and Gas Lease by the United States of America, dated

December 1, 1987 bearing Serial No. N-47195 of the U. S. Land & Survey Office, at

Reno, Nevada

which lease, in so far as covered by this Royalty Assignment, contains the

following described lands (hereinafter referred to as said lands), situated in Eureka County, State of Nevada

towt: T. 23 N., R. 53 E., Mount Diablo Meridian

Section 17: All

Section 26: All

Section 18: Lots 1-4, E<sub>1</sub>W<sub>1</sub>, E<sub>2</sub>

Section 27: All

Section 19: E<sub>1</sub>W<sub>1</sub>, E<sub>2</sub>

Section 28: All

Section 20: All

Section 29: All

Section 21: All

Section 30: E<sub>1</sub>W<sub>1</sub>, E<sub>2</sub>

Section 22: All

Section 31: Lots 1-4, E<sub>1</sub>W<sub>1</sub>, E<sub>2</sub>

Section 23: All

containing 9,258.96 acres, more or less

Section 24: All

Section 25: All

NOW, Therefore, in consideration of the premises and the sum of Ten & More Dollars, and other valuable con-

sideration, receipt whereof is hereby acknowledged, the undersigned, Lessee, hereby sells, conveys, transfers, assigns and sets over unto

Assignee, its heirs and assigns, an overriding royalty interest of Three-quarters of one percent of eight-eighths (3/4 of 1.00% of 8/8ths)

of all of the Oil and Gas and other hydrocarbon substances in place and which may be produced, saved and marketed from said lands, free and clear of all costs or expense to Assignee.

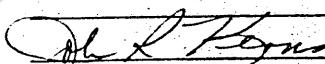
This Overriding Royalty Assignment shall be subject to Assignment of Oil and Gas Lease to Chevron

USA, Inc., P. O. Box 5050, San Ramon, CA 94583-0905 from John R. Kerns dated March 15,

1988.

The provisions hereof shall inure to and be binding upon the parties hereto, their heirs, assigns, personal representative and successors, and said overriding royalty interest herein reserved to Assignee shall run with said leasehold and all renewals and extensions thereof and all preference-right and substitute leases granted thereon, whether under said serial number or a new serial number, and whether issued to Lessee or Lessee's successors or assigns.

IN WITNESS WHEREOF, Lessee has executed and delivered this overriding royalty assignment to Assignee, in triplicate, this day and year first above written.

  
John R. Kerns

STATE OF WYOMING

ss:

ACKNOWLEDGEMENT

Single or Married

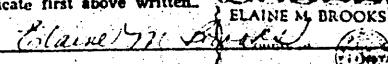
COUNTY OF NATRONA

On this 5th day of May, 1988, before me personally appeared

John R. Kerns

to me known to be the person (or persons) described in and who executed the foregoing instrument and acknowledged that he (or she or they) executed the same as his (or her or their) free act and deed, including the release and waiver of the right of homestead, the said wife having been by me fully apprised of her right and effect of signing and acknowledging the said instrument.

Given under my hand and seal the day and year in the certificate first above written.

  
ELAINE M. BROOKS - Notary Public

My Commission expires on the 27th day of August, A.D. 1988.

Notary Public  
Wyoming  
My Commission Expires Aug. 27, 1988