

WHEN RECORDED RETURN TO:  
Krutex Energy Corporation  
1104 Country Hills Drive  
Suite 307  
Ogden, Utah 84403

127141

NOTICE OF  
COLLATERAL ASSIGNMENT OF LEASE

NOTICE is hereby given by FORELAND CORPORATION, a Nevada corporation (hereinafter referred to as "Assignor"), and KRUTEX ENERGY CORPORATION, a Utah corporation (hereinafter referred to as "Assignee"), that by that certain Collateral Assignment of Lease effective the 20th day of December, 1988, Assignor did assign and by these presents does assign, transfer, and grant unto the Assignee, for the purpose of creating a lien and encumbrance thereon, an undivided 50% of the entire interest of Assignor in and to the oil and gas lease identified below and relating to the property described therein located in the state of Nevada:

Lessor: BUREAU OF LAND MANAGEMENT

Lessee: FORELAND CORPORATION

Lease dated: April 1, 1988

Covering the following described property in Eureka County, Nevada; to wit:

Township 16 North, Range 53 East, MDM	
Section 11: S4SW4, SE4	Section 26: All
Section 12: S4	Section 27: All
Section 13: All	Section 28: All
Section 14: All	Section 33: All
Section 15: All	Section 34: All
Section 22: All	Section 35: All
Section 23: All	Section 36: All
Section 24: All	
Section 25: All	

Together with all revenue, income, products, proceeds, and profits derived from such property or arising from the use, operation, and occupation of said property and from all subleases, assignments, or licenses of said property which may be executed in the future during the terms of this Assignment.

1. This Assignment is made pursuant to that certain Interim Loan Agreement between the Assignor and Assignee dated December 20, 1988, for the purpose of securing the repayment of indebtedness in the principal amount of \$300,000, the payment and performance of the terms and conditions thereunder, and the payment and performance of certain other financial accommodations given or to be given by Assignee to Assignor.

2. This Notice of Collateral Assignment of Lease constitutes a notice of a more detailed Collateral Assignment of Lease between the parties containing the foregoing terms and further terms and conditions agreed to by the parties hereto.

3. Any person desiring further information with respect to the Collateral Assignment, the effects thereof, and the encumbrances created thereby should contact:

Krutex Energy Corporation  
Attn: Robert C. Richins, President  
1104 Country Hills Drive  
Suite 307  
Ogden, Utah 84403

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IN WITNESS WHEREOF, this Notice of Collateral Assignment of Lease is executed this 28th day of February, 1989.

Attest:

FORELAND CORPORATION

Dale W. Christensen  
Dale W. Christensen, Secretary

By N. Thomas Steele  
N. Thomas Steele, Vice-President, Administration

Attest:

KRUTEX ENERGY CORPORATION

Bruce C. Decker  
Bruce C. Decker, Assistant Secretary

By Robert C. Richins  
Robert C. Richins, President

STATE OF UTAH )

COUNTY OF WEBER )

On this 28th day of February, 1989, personally appeared before me, the undersigned notary public, N. Thomas Steele and Dale W. Christensen who, being by me first duly sworn, declared that they are the vice-president and secretary, respectively, of Foreland Corporation and that they signed the foregoing document on behalf of said corporation.

Alan H. Thurston  
Notary Public  
Residing in Weber County

My commission expires: 9-29-89

STATE OF UTAH )

COUNTY OF WEBER )

On this 28th day of February, 1989, personally appeared before me, the undersigned notary public, Robert C. Richins and Bruce C. Decker who, being by me first duly sworn, declared that they are the president and assistant secretary, respectively, of Krutex Energy Corporation and that they signed the foregoing document on behalf of said corporation.

Alan H. Thurston  
Notary Public  
Residing in Weber County

My commission expires: 9-29-89

SEAL  
Affixed

SEAL  
Affixed

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RECORDED AT THE REQUEST OF  
BOOK 196 PAGE 411

*Kruter*  
MAY 1948

OFFICIAL RECORDS  
CLERK OF DISTRICT COURT  
CLERK OF DISTRICT COURT  
FILE NO. 127141

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