

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

1277143

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: December 1, 1987

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

Township 24 North, Range 53 East, MDM	
Section 17: N $\frac{1}{2}$, M $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$	Section 27: All (Pro. Dia. No. 164)
Section 18: Lots 1, 2, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 28: All (Pro. Dia. No. 164)
Section 19: E $\frac{1}{2}$ E $\frac{1}{4}$	Section 29: E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 20: All	Section 30: NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 21: All (Pro. Dia. No. 164)	Section 31: Lots 1, 2, 3, 4, E $\frac{1}{2}$ W $\frac{1}{4}$, E $\frac{1}{2}$
Section 22: All (Pro. Dia. No. 164)	Section 32: S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, W $\frac{1}{2}$
Section 23: All (Pro. Dia. No. 164)	
Section 24: All (Pro. Dia. No. 164)	
Section 25: All (Pro. Dia. No. 164)	
Section 26: All (Pro. Dia. No. 164)	

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 offset on the roof, and the encumbrances created thereby should contact:

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

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

Attest:

Dale W. Christensen
Dale W. Christensen, Secretary

FORELAND CORPORATION

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

Attest:

Bruce C. Decker
Bruce C. Decker, Assistant Secretary

KRUTEX ENERGY CORPORATION

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

RECORDED AT THE REQUEST OF

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OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
H.M. REBAILLON, RECORDER

FILE NO. 127143

127143

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