

ASSIGNMENT OF OVERRIDING ROYALTY INTEREST**KNOW ALL MEN BY THESE PRESENTS:**

THAT the undersigned, **THE GARY-WILLIAMS COMPANY** (formerly known as Gary-Williams Oil Producer, Inc.), 115 Inverness Drive East, Englewood, Colorado 80112, (hereinafter referred to as "Assignor") for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby confessed and acknowledged, does hereby convey, transfer, assign and set over unto **PAUL C. SLEVIN** and **RONALD W. WILLIAMS**, as Nominees under that certain Nominee Agreement dated January 1, 1983, as amended, (hereinafter referred to as "Assignees"), an overriding royalty, free and clear of all cost and expense of development and operation, in the amount of THREE PERCENT OF EIGHT/EIGHTHS (3.00% of 8/8ths) of Assignor's interest in all oil, gas, casinghead gas, and other hydrocarbon substances produced, saved and marketed from the oil and gas lease(s), or any extension(s) or renewal(s) thereof, insofar and only insofar as said lease and lands are described as follows, to-wit:

Lease No.:	05724
Lessor:	U.S.A. N-47627
Lessee:	Gary-Williams Oil Producer, Inc.
Effective date:	February 1, 1988
Recording data:	Book 172 at Page 122
Lands:	INSOFAR AND ONLY INSOFAR AS SAID LEASE COVERS THE FOLLOWING: Township 28 North, Range 51 East, MDM Section 23: All Section 24: Lots 5, 6, 7, 8, W/2, W/2E/2 Situated in Eureka County, Nevada

TO HAVE AND TO HOLD the interest herein transferred and assigned unto Assignees, their heirs, devisees, personal representatives, successors and assigns, forever, subject only to the following terms and provisions: that

A. The overriding royalty interest herein transferred is payable out of and only out of the oil and gas produced, saved and marketed, pursuant to the terms and provisions of the oil and gas lease as set out herein.

B. 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 lands as set out herein 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.

C. This Assignment of Overriding Royalty is made without warranty of title, either express or implied.

D. If the oil and gas lease(s) described herein cover(s) less than the entire fee title to oil, gas and casinghead gas in and under the lands herein described, then the overriding royalty interest herein assigned shall be reduced proportionately.

E. Notwithstanding anything herein to the contrary, Assignor does not warrant as to timely payment of delay rentals by an owner of the working interest in said oil and gas lease(s).

F. Assignor, for itself, its successors and assigns, does hereby reserve the right and option without the further consent of Assignee, its heirs and assigns, to unitize, combine and pool such overriding royalty interest in the manner provided for in the assigned lease(s).

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment of Overriding Royalty Interest as of this 15th day of May, 1989.

THE GARY-WILLIAMS COMPANY
formerly known as: Gary-Williams
Oil Producer, Inc.

Pat Keating
Pat Keating, Attorney-in-Fact

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 15th day of May, 1989, by Pat Keating, as Attorney-in-Fact for The Gary-Williams Company (formerly known as Gary-Williams Oil Producer, Inc.), a Delaware Corporation, on behalf of said corporation.

WITNESS my hand and official seal.

My Commission Expires:
September 22, 1990

SEAL
Affixed

Mary Kay White
Mary Kay White, Notary Public

RECORDED AT THE REQUEST OF

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Gary-Williams Oil Producer
'89 MAY 30 AIO:39

OFFICIAL RECORDS
EUREKA COUNTY, NEVADA
M.N. RUDALSKI, RECORDER
FILE NO. 600

127286

(MKW:NOMori)