

ROYALTY ASSIGNMENT

This assignment made and entered into this 24th day of January, 1990 by and between Hanagan Petroleum Corporation hereinafter referred to as assignor, (whether one or more) and the parties named hereinbelow, hereinafter referred to as assignee, (whether one or more).

WITNESSETH:

In consideration of the premises and of Ten dollars and other good and

valuable consideration, assignor does hereby sell, assign, transfer, set over and convey unto each of the Assignees, heirs, personal representatives (or its successors) and assigns, named below the percentage interest set forth after his or her name, of a total overriding royalty equal to one percent (1%) of the market value at the wells as produced of all of the oil and gas and other hydrocarbon substances which may be produced, saved and marketed from the described lands on attached Exhibit "A", situated in the County of Eureka, State of Nevada, under the terms of those certain Oil and Gas Leases made and entered into by and between Damele, et al, as lessors, and Hanagan Petroleum CORPORATION, as lessee, said overriding royalty shall be on oil, gas and other liquid hydrocarbons that are produced and saved from said lands, being 1% of 8/8 of the actual amount realized from all such produced substances sales.

The amount realized from the sale of gas on or off the premises shall be the price established by the gas sales contract entered into in good faith by Hanagan and gas purchaser for such term and under such conditions as are customary in the industry. "Price" shall mean the net amount realized by Hanagan after giving effect to applicable regulatory orders and after application of any applicable price adjustment specified in such contract or regulatory orders. The assigned override shall bear its proportionate part of all taxes and assessments (including windfall profits taxes) levied upon or against or measured by the production of oil and gas therefrom. The assigned override

shall also bear its proportionate part of all treating, transportation, dehy-

drating and other expenses necessary to make the product marketable or to deliver

the same to market. The assigned override shall be proportionately reduced in the

event the leasehold or fee interest acquired by Hanagan covers less than the entire

mineral interest in the affected lands, or Hanagan acquires less than the entire

leasehold estate in the affected lands. Ownership by the assignees of the assigned

override shall not imply any leasehold preservation obligation on the part of

Hanagan. No change in the ownership of the assigned override shall be binding

upon Hanagan until it has been furnished with either the original or a certified

copy of the recorded instrument affecting such change in ownership.

The names of the Assignees and their respective interests in and to the

royalty interest as herein conveyed are as follows:

NAME	PERCENTAGE INTEREST
Michael G. Hanagan	1%
Chamberlain Exploration Development & Research Stratagraphic Corporation	1%

P.O. Box 1737  
Roswell, NM 88202-1737

Chamberlain Exploration Development & Research Stratagraphic Corporation  
P.O. Box 28167 #16  
Lakewood, Co. 80228

TO HAVE AND TO HOLD said royalty interest unto assignee, heirs, personal representative (or its successors) and assigns forever.

IN WITNESS WHEREOF this assignment is executed on the day and year first

hereinabove written.

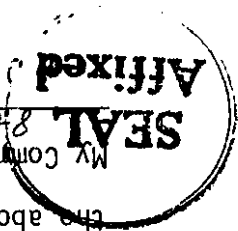
HANAGAN PETROLEUM CORPORATION

*Hugh E. Hanagan*  
\_\_\_\_\_  
Hugh E. Hanagan, President

STATE OF NEW MEXICO )  
COUNTY OF CHAVES )  
ss.

On this 24th day of January, 1990, personally appeared before me, a notary public, Hugh E. Hanagan, President of Hanagan Petroleum Corporation, a New Mexico corporation, personally known to me to be the person whose name is subscribed to the above instrument who acknowledged that he executed the instrument.

My Commission expires: 8/12-93



*Barbara J. Baker*  
\_\_\_\_\_  
Notary Public

EXHIBIT "A"

ATTACHED TO AND MADE A PART OF ROYALTY ASSIGNMENT  
DATED JANUARY 24, 1990, FROM HANAGAN PETROLEUM  
CORPORATION TO MICHAEL G. HANAGAN, ET AL.

HPC PROP. 1000 011 and Gas Lease from John V. Damele and Robert M. Damele,  
 recorded in Book 179, Pages 066, 067 and 068.  
 HPC PROP. 1000A 011 and Gas Lease from Leo J. Damele and Ellen M. Damele,  
 recorded in Book 179, Pages 069, 070 and 071.  
 HPC PROP. 1000B 011 and Gas Lease from Charles Damele, Jr. and Patricia  
 J. Damele, recorded in Book 179, Pages 072, 073 and 074.  
 HPC PROP. 1000C 011 and Gas Lease from R. D. Damele and Arlene W. Damele,  
 recorded in Book 179, Pages 075, 076 and 077.  
 HPC PROP. 1000D 011 and Gas Lease from Stephen D. Damele and Pauline S.  
 Damele, recorded in Book 179, Page 078, 079 and 080.

Description of acreage in the above leases is as follows:

Township 24 North, Range 49 East  
Section 12: NE1/4

Township 24 North, Range 50 East  
Section 2: Lot 3, SE1/4  
Section 7: Lot 2

Township 25 North, Range 50 East  
Section 24: SE1/4, NW1/4  
Section 25: S1/2, SE1/4  
Section 28: W1/2, SE1/4  
Section 32: SE1/4  
Section 33: NW1/4  
Section 35: E1/2, SW1/4, E1/2, SE1/4  
Section 36: NW1/4, NW1/4

Township 25 North, Range 51 East  
Section 19: SE1/4  
Section 30: NW1/4, E1/2, Lot 3  
Section 35: NW1/4

Containing 1584.10 acres, Eureka Co., Nevada

HPC PROP. 1001 011 and Gas Lease from John V. Damele and Roberta M. Damele,  
 recorded in Book 179, Pages 081, 082 and 083.  
 HPC PROP. 1001A 011 and Gas Lease from Leo J. Damele and Ellen M. Damele,  
 recorded in Book 179, Pages 084, 085 and 086.  
 HPC PROP. 1001B 011 and Gas Lease from Charles Damele, Jr. and Patricia  
 J. Damele, recorded in Book 179, Pages 087, 088 and 089.  
 HPC PROP. 1001C 011 and Gas Lease from R. D. Damele and Arlene W. Damele  
 recorded in Book 179, Pages 090, 091 and 092.  
 HPC PROP. 1001D 011 and Gas Lease from Stephen D. Damele and Pauline S.  
 Damele, recorded in Book 179, Pages 093, 094 and 095.

Description of acreage in the above leases is as follows:

Township 26 North, Range 50 East  
Section 1: SE1/4, W1/2, E1/2  
Section 11: NE1/4  
Section 12: E1/2, NE1/4  
Section 24: E1/2

Township 25 North, Range 51 East  
Section 6: Lots 3, 4, 5, 6, 7, SE1/4, E1/2  
Section 7: E1/2

131484

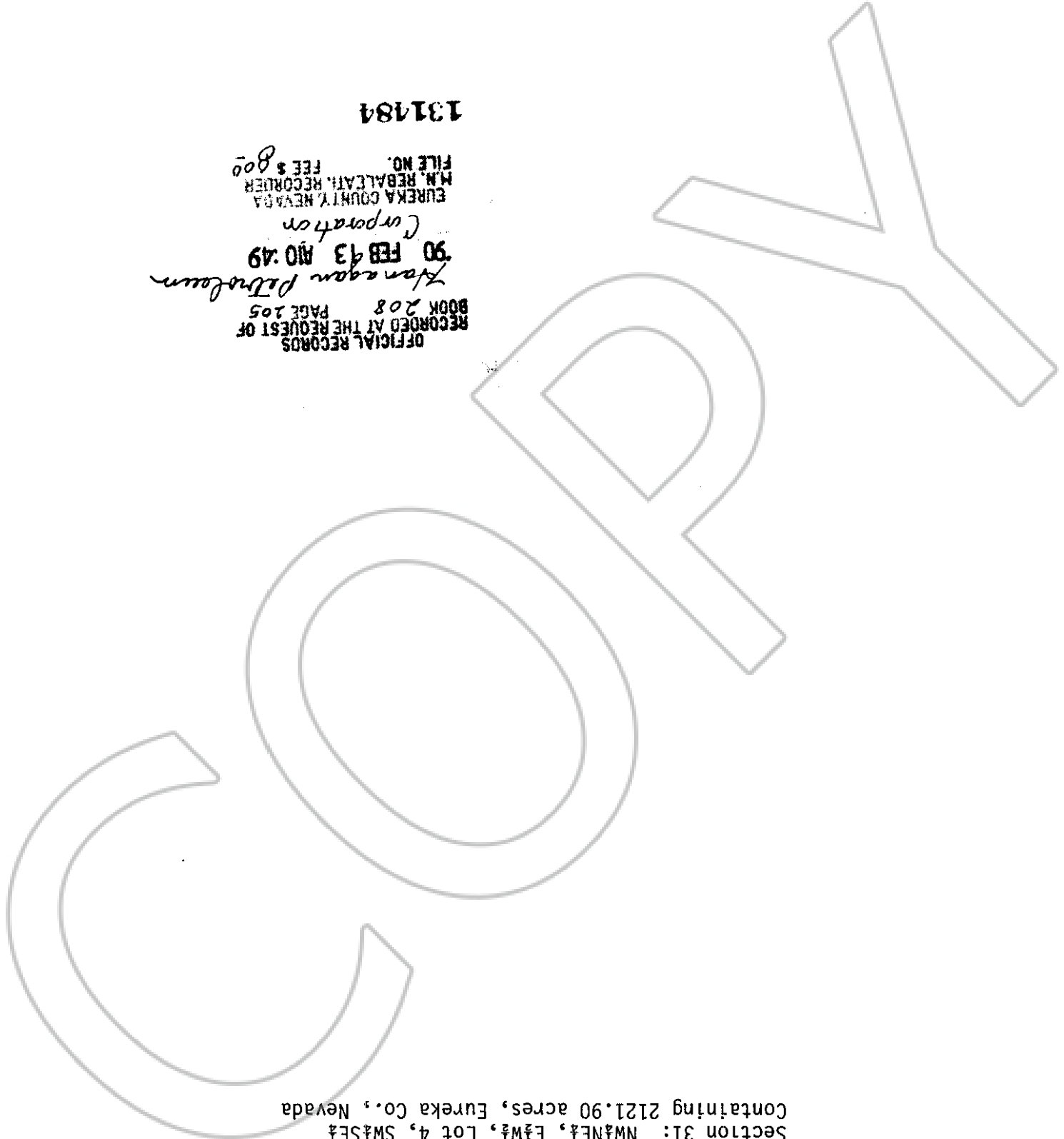
FILE NO. FEE \$ 800  
M.N. REBALCATI, RECORDER  
EUREKA COUNTY, NEVADA

Corporation

90 FEB 13 NO. 49

*Stanagan Petroleum*

OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
BOOK 208 PAGE 205



Township 26 North, Range 51 East  
Section 6: Lots 3, 4, 5, 6, 7, SE¼NW¼, E¼SW¼  
Section 7: Lots 1, 2, 3, 4  
Section 18: Lots 1, 2, 3, 4  
Section 19: Lots 1, 2, 3, 4  
Section 30: Lots 1, 2, 3, 4, E¼SW¼  
Section 31: NW¼NE¼, E¼W¼, Lot 4, SW¼SE¼  
Containing 2121.90 acres, Eureka Co., Nevada