Form 3000-3a
(December 1986)
(formerly 3106-14)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0034
Expires: August 31, 1989

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (P.L. 96-514)

Lease Serial No.
N-46842

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee) HANAGAN PETROLEUM CORPORATION
Street P.O. Box 1737 131728
City, State Roswell, NM
Zip Code 88202-1737

Additional Transferees

RECEIVED
Bur. of Land Management
NEVADA LAND OFFICE
:00 .M. FEB 20 1989
NEVADA STATE OFFIC
RENO, NEVADA

This transfer is for: *(Check one)* ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: *(Check one or both, as appropriate)* ☐ Operating Rights (sublease) ☒ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description Additional space on reverse, if needed. Do not submit documents other than this form; such documents should only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
a	b	c	d	e	f
T-25-N, R-51-E, Mount Diablo Meridian Sec. 15: All Sec. 16: All Sec. 17: All Sec. 18: Lots 1, 2, 3, 4, E½W½, E½ Sec. 19: Lots 1, 2, 3, 4, E½NW¼, NE¼SW¼, E½ Sec. 20: All Sec. 21: All Sec. 22: All Sec. 23: All Sec. 24: All Sec. 25: All Sec. 26: N½, SE¼, N½SW¼, SE¼SW¼ Sec. 27: All Sec. 28: All Sec. 29: All Sec. 30: Lots 1, 4, E½SW¼, SE¼, S½NE¼, NE¼NE¼ Containing 9905.64 acres, more or less, located in Eureka County, Nevada	2% ORR	1% ORR	1% ORR		6% ORR

FOR BLM USE ONLY

THE UNITED STATES OF AMERICA

This Transfer is approved solely for administrative purposes. Approval does not warrant that either party to this transfer holds legal or equitable title to this lease.

Transfer Approved Effective ______________________

By ______________________ ______________________ ______________________
(Authorized Officer) (Title) (Date)

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PART C: GENERAL INSTRUCTIONS

1. Applicant(s) must complete Parts A1 and A2 and Part B. Both parties to transfer must sign. File three (3) manually signed, completed copies of this form in the appropriate BLM office for each transfer of operating rights (sublease). File one (1) manually signed copy of transfer of overriding royalty interest. The required filing fee (nonrefundable) must accompany the transfer, payment out of production or other similar interests or payments. File transfer within ninety (90) days after date of execution by transferor.
2. Separate form must be used for each lease being affected by this transfer and for each type of interest conveyed.
3. In item No. 2 of Part A, describe lands affected (See 43 CFR 3106, 3135, or 3241). For columns b, c, d, and e, enter the interest expressed as a percentage of total interest in the lease; e.g., if transferor transfers one quarter of a 20% interest, enter 20% in column b, 5% in column c, and 15% in column d.
4. If transfer is to more than one transferee, enter each transferee's name across columns d, e, and f next to the ... being conveyed.
5. If any payments out of production or similar interests, arrangements or payments have previously been created out of the interest being transferred, or if any such payments or interests are reserved under this transfer include a statement giving full details as to amount, method of payment, and other pertinent terms as provided under 43 CFR 3106, 3135, or 3241.
6. The lease account must be in good standing before this transfer (sublease) can be approved (43 CFR 3106 and 3241).
7. Transfer, if approved, takes effect on the first day of the month following date of filing in the proper BLM office. If a bond is necessary, it must be furnished prior to approval of the transfer.
8. Overriding royalty and payment out of production or other similar types of transfers must be filed with BLM, but will be accepted for record purposes only. No official approval will be given.
9. Upon approval of a transfer ... the sublessee and ...

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duction or similar interests, arrangements or payments

PAPERWORK REDUCTION ACT STATEMENT

1. This information is being collected pursuant to the law.
2. This information will be used to create and maintain a record of oil and gas/geothermal lease activity.
3. Response to this request is required to obtain benefit.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this oil and gas/geothermal lease transfer application.

AUTHORITY: 30 U.S.C. 181 et seq.

PRINCIPAL PURPOSE--The information is to be used to process oil and gas/geothermal lease transfer of operating rights (sublease) application.

ROUTINE USES:

(1) The approval of transferee's rights to the land or resources.

(2) Documentation for public information in support of notations made on land status records for the management, disposal, and use of public lands and resources.

(3) Transfer to appropriate Federal agencies when concurrence is required prior to granting a right in public lands or resources.

(4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION—If all the information is not provided, the transfer may be rejected. See regulations at 43 CFR Groups 3100 and 3200.

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Part A (Continued): ADDITIONAL SPACE for Land Description in Item No. 2, if needed.

OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
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Hanagan Petroleum
'90 Mar 1 AM 1 56
Corp. Nev
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE $6.00

ACKNOWLEDGMENT

131728

STATE OF Colorado)
) ss.
COUNTY OF Jefferson)

On this 12th day of February, 1990, personally appeared before me, a notary public, Alan K. Chamberlain, President of Chamberlain Exploration Development and Research Stratigraphic Corporation, a Nevada 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:
July 19, 1993

SEAL Affixed

Sharon Ward
Notary Public
My commission expires July 19, 1993.
11040 W. Jewell Ave.
Lakewood, CO 80226

PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above transferee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, nation, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations, (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in either public domain or acquired lands, do not exceed 200,000 acres in oil and gas options or 246,080 in oil and gas leases in the same State, or 300,000 acres in leases and 200,000 acres in options in each leasing District in Alaska, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920 or 51,200 acres in any one state if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

For oil and gas transfers, the obligation to pay overriding royalties, payment out of production, carried interests, net profit interests, or such similar payments or interests created herein, which, when added to overriding royalties or payments out of production or other similar interests or payments previously created, may be suspended by the Secretary at any time upon a determination that the excess constitutes a burden on lease operations in accordance with 43 CFR 3103.

For geothermal transfers, an overriding royalty may not be less than one-fourth (¼) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this transfer is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 12th day of Feb., 19 90

Transferor CHAMBERLAIN EXPLORATION DEVELOPMENT AND RESEARCH STRATAGRAPHIC CORPORATION
(Signature)
By: [signature]
or
Alan K. Chamberlain
Attorney-in-fact

P.O. Box 28167 #16
(Transferor's Address)

Lakewood, Co. 80228
(City) (State) (Zip Code)

Transferee HANAGAN PETROLEUM CORPORATION
BY: Hugh E. Hanagan
(Signature)
Hugh E. Hanagan, President
or
Attorney-in-fact

Executed this 24th day of January, 19 90

Title 18 U.S.C. Sec. 1001 makes it a crime for any perso[n] [kno]wingly and willfully to make to any Department or ag[ency] of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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