

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE ("Assignment") is made this 20<sup>th</sup> day of June, 1989, and is effective at 7:00 a.m. June 1, 1989 (the "Effective Time") by and between Amoco Production Company, a Delaware corporation with an office at 1670 Broadway, Denver, Colorado 80202 (herein called "Assignor"), and Petroleum Corporation of Nevada with a mailing address of SW Professional Center, 441 W. Plumb Lane, Reno, Nevada 89509 (herein called "Assignee").

WITNESSETH:

Assignor in consideration of Ten Dollars (\$10.00) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, SELL, CONVEY, ASSIGN and DELIVER unto Assignee all of the following:

I. All right, title and interest of Assignor in and to the oil and gas leases described on Exhibit "A" (attached hereto and made a part hereof for all purposes), insofar as said leases cover the lands which are specifically described in Exhibit "A" opposite the separate designation of each said lease (the "Leases");

II. All right, title and interest of Assignor in, to and under, or derived from, all presently existing and valid oil, gas or mineral unitization, pooling, operating and communitization agreements, declarations and orders, and in and to the properties covered and the units created thereby, which are appurtenant to the Leases;

III. All right, title and interest of Assignor in, to and under, or derived from, all presently existing and valid oil and gas sales, purchase, exchange and processing contracts, casinghead gas contracts, operating gas contracts, operating agreements, joint venture agreements, partnership agreements, rights of way, easements, permits and surface leases and other contracts, agreements and instruments, insofar as the same are appurtenant to the Leases; and

IV. All right, title and interest of Assignor in and to all producing and non-producing oil and gas wells, water disposal and water wells, surface and downhole equipment, fixtures, inventory and all personal property located on the lands described on Exhibit "A" which are appurtenant to the Leases.

V. All of the foregoing leases, interest, rights and properties described in paragraphs I through IV above, are herein called the "Properties" located in Eureka County, Nevada.

To have and to hold the Properties forever, subject to the following:

1. Assignee hereby assumes and agrees to perform and be bound by all provisions of the subject Leases and all contractual duties and obligations of Assignor as owner of the Properties to the extent that the same are valid and subsisting on the Effective Date. Assignee shall, at its sole expense, comply with all laws, rules, regulations, order and ordinances (collectively the "laws") of any governmental authority claiming jurisdiction over the Leases, including, but not limited to those laws pertaining to the abandonment of wells, the plugging of inactive wells and the restoration of the surface. Assignee shall protect, defend, assign title warranties, indemnify and hold Assignor harmless from and against all costs, expenses, claims, demands, damages, liabilities, fines, attorney's fees, court costs and reasonable costs of investigation arising out of or attributable to the Properties subsequent to the Effective Date.

2. Assignor does not in any manner warrant the condition, serviceability or recoverability of the wells, equipment and personal property hereby conveyed, and Assignee accepts all such property in its present condition. Assignee hereby assumes sole and complete responsibility for the property and timely removal of said equipment and personal property from the Properties in accordance with any applicable oil and gas lease and governmental regulations pertaining thereto and, from and after the Effective Date, for any and all damages or liabilities arising out of or in any way connected with said equipment and its removal, use and maintenance.

3. THIS ASSIGNMENT IS MADE WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF TITLE, THE WARRANTY OF MERCHANTABILITY OR THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, SAVE AND EXCEPT NONE OF THE PROPERTIES IS ENCUMBERED IN ANY WAY OR MANNER AS A RESULT OF ANY FAILURE BY ASSIGNOR TO PAY DEBTS DUE RELATING TO THE SAME.

4. Up to March 31, 1990, Amoco shall have the right, exercisable at any time and from time to time, upon giving thirty (30) days written notice to Purchaser, to purchase all production of oil, condensate, and other liquid hydrocarbons produced from the subject properties transferred to Purchaser. The price to be paid by Amoco for such liquids shall be that price which will be at Chevron's Western Colorado posting or the highest major posting for hydrocarbon production of similar kind and quality prevailing in the field where produced on the date of delivery, less adjustments for gravity and quality and less \$2.75 per barrel transportation, unless the purchaser exercises its right and option to provide transportation. Upon Amoco's request, Purchaser shall provide Amoco with written documentation, reasonably satisfactory to Amoco, evidencing any good faith competing offer from any third party. After March 31, 1990, either party shall have the right and option, upon thirty (30) days written notice, to terminate this provision in full with no further liability to either party.

5. Assignor reserves the right to use easements and rights of way for its operations on other lands so long as it does not interfere with the operations of Assignee.

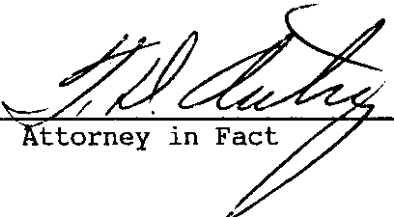
6. Assignor shall execute such forms of assignment conveying Assignor's interest in the Properties as may be required by any governmental authority to conform to governmental regulation and such assignments shall not serve to enlarge or diminish the rights herein conveyed.

7. This assignment shall be binding upon and inure to the benefit of Assignee and Assignor and their respective successors and assigns.

Executed as of the day and year first above written.

AMOCO PRODUCTION COMPANY


By

  
Attorney in Fact

PETROLEUM CORPORATION OF NEVADA

ATTEST:

By

  
Title ATTORNEY IN FACT

STATE OF COLORADO )  
CITY AND : ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 20 day  
of June, 1989 by T.O. Autry as  
Attorney in Fact on behalf of Amoco Production Company, a Delaware  
corporation.

Witness my hand and official seal.

Susan Meyer  
NOTARY PUBLIC

My commission expires:

SEAL  
Affixed

3-23-92

STATE OF COLORADO )  
: ss.  
COUNTY OF DENVER )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day  
of JUNE, 1989, by KENNETH CHATTIN as  
ATTORNEY IN FACT and attested to by  
as \_\_\_\_\_ on behalf of  
Petroleum Corporation of Nevada.

Witness my hand and official seal.

[Signature]  
NOTARY PUBLIC

SEAL  
Affixed

My commission expires:  
My Commission expires February 25, 1991  
1670 Broadway  
Denver, Colorado 80201

dave\deb69

LEASE SCHEDULE

EXHIBIT "A" PAGE 1 of 1 STATE OF NEVADA COUNTY OF EUREKA  
 Blackburn Unit - 631505ZF- (well #16), 645006ZB- (well #14),  
 631505ZB- (well #10), 631505ZA- (well #3) and 631509ZB- (well #12)

LEASE NO.	LESSOR	LESSEE	DATE	DESCRIPTION	RECORDED BOOK PAGE
631505----	U.S.A. N-11348	Suzanne D. Bucy	Eff. 05/01/75	Township 27 North, Range 52 East, MDM, Nevada Section 7: E/2 NE/4 Section 8: W/2	57 256
645006----	U.S.A. N-10613	Merle C. Chambers	Eff. 11/01/74	Township 27 North, Range 52 East, MDM, Nevada Section 7: E/2 SE/4	119 128

OFFICIAL RECORDS  
 RECORDED AT THE REQUEST OF  
 BOOK 209 PAGE 297  
*Ken Chatten*  
 '90 MAR 22 P1:07

EUREKA COUNTY, NEVADA  
 M.N. REBALEATI, RECORDER  
 FILE NO. FEE \$8.00

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BOOK 209 PAGE 300

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