

135763

ASSIGNMENT OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS:

That THE GARY-WILLIAMS COMPANY, 370 17th Street, Suite 5300, Denver, Colorado 80202 (hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual covenants herein contained, does hereby grant, bargain, sell, transfer, assign and convey unto EP OPERATING COMPANY, a Limited Partnership, P. O. Box 2649, Dallas, Texas 75221 (hereinafter referred to as "Assignee"), All of Assignor's interest in and to the Oil and Gas Leases (hereinafter referred to as the Leases) located in Eureka County, Nevada, described on Exhibit "A" attached hereto and made a part hereof, insofar and only insofar as the Leases pertain to the lands described therein, together with the rights incident thereto and personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

This Assignment of Oil and Gas Leases is made subject to all royalties, overriding royalties and other burdens or encumbrances to which the Leases may be subject.

Assignor reserves unto itself, its successors and assigns, over, above and in addition to all royalties, overriding royalties and other burdens against the production from said Leases, an overriding royalty of three and one-half percent of eight-eighths (3.5% of 8/8ths) of all oil, gas and other hydrocarbons produced, saved and sold from the herein described lands under the terms of said Leases. The aforesaid overriding royalty interest shall be delivered free and clear of all development, production, operating and marketing costs and expenses. It is the intent of Assignor to deliver to Assignee a net revenue interest of eighty-three and one-half percent (83.5%) in and to the Leases described on Exhibit "A."

In the event this Assignment conveys less than the entire working interest in any Lease described on Exhibit "A", the overriding royalty interest reserved herein with respect to said Lease shall be reduced by the proportion that the working interest conveyed herein bears to the entire working interest in said Lease.

If any Lease described on Exhibit "A" hereto covers less than the entire fee title to oil, gas and casinghead gas in and under the lands therein described, then the interest assigned herein shall be reduced proportionately.

This Assignment is made without warranty of title of any kind, either express or implied. The terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Assignor and Assignee and their respective heirs, successors and assigns; and such terms, covenants and conditions shall be covenants running with the land.

Separate assignments of the interests may be executed on officially approved forms by Assignor to Assignee, in sufficient counterparts to satisfy applicable statutory and regulatory requirements. Those assignments shall be deemed to contain all of the exceptions, reservations, warranties, rights, titles, power and privileges set forth herein as fully as though they were set forth in each of such assignments. The interests conveyed by such separate assignments are the same as, and not in addition to, the interests conveyed herein.

Entered into this 2nd day of January, 1991.

THE GARY-WILLIAMS COMPANY

By:


Pat Keating, Attorney-in-Fact

(Notary Acknowledgment on Page 2.)

LKW/ASSIGN:EP

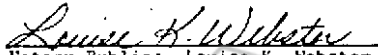
BOOK 220 PAGE 32

STATE OF COLORADO)
) SS.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 2nd day of January 1991, by Pat Keating, Attorney-in-Fact for THE GARY-WILLIAMS COMPANY a Delaware Corporation, on behalf of the corporation.

Witness my hand and official seal.

My commission expires:
February 3, 1992


Notary Public: Louise K. Webster

COPY

EXHIBIT A
LEASE SCHEDULE

Attached to and made a part of Assignment of Oil and Gas Leases dated January 2, 1991 by and between THE GARY-WILLIAMS COMPANY, as Assignor, and EP OPERATING COMPANY, as Assignee

County: Eureka
State: Nevada

LEASE NO	LESSOR	LESSEE	LEASE DATE	DESCRIPTION	BOOK/PAGE
05975	USA NV N 49913	HAROLD L ANDERSON	12/01/1988	Township 17 North, Range 50 East Sec 1: LOTS 1 - 4, S/2N/2, S/2 Sec 3: LOTS 1 - 4, S/2N/2, S/2 Sec 11: ALL (PRO. DIA. NO. 207)	---/---
05976	USA NV N 49914	HAROLD L ANDERSON	12/01/1988	Township 17 North, Range 50 East Sec 13: ALL Sec 15: ALL (PRO. DIA. NO. 207)	---/---
05977	USA NV N 49915	HAROLD L ANDERSON	12/01/1988	Township 17 North, Range 51 East Sec 5: ALL Sec 7: ALL	---/---
06269	USA NV N 51253	HAROLD L ANDERSON	06/01/1989	Township 17 North, Range 50 East Sec 2: LOTS 1, 2, 3, 4, S/2N/2, S/2 Sec 4: LOTS 1, 2, 3, 4, S/2N/2, S/2 Sec 5: LOTS 1, 2, S/2NE/4, SE/4	---/---
05911	DANIEL H. RUSSELL & ROBERTA A RUSSELL	GARY-WILLIAMS OIL PRODUCER INC	05/06/1988	Township 18 North, Range 50 East Sec 28: SW/4NE/4, NW/4SE/4 Sec 30: NW/4NE/4, NE/4NW/4	178/66
06270	USA NV N 51256	HAROLD L ANDERSON	06/01/1989	Township 18 North, Range 50 East Sec 25: ALL Sec 26: ALL Sec 27: ALL Sec 28: E/2E/2, NW/4NE/4, W/2, SW/4SE/4	---/---
06271	USA NV N 51258	HAROLD L ANDERSON	06/01/1989	Township 18 North, Range 50 East Sec 35: ALL Sec 36: ALL	---/---

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Encasess, Exploration
91 JAN 22 P1:11

EUREKA COUNTY, NEVADA
M. H. REBALCATTI, RECORDER
FILE NO. **135763** FEES *8.00*