

136434

ASSIGNMENT OF OIL AND GAS LEASES

THIS ASSIGNMENT ("Assignment"), is made and entered into as of the 15th day of October, 1990, by and between FORELAND CORPORATION ("Assignor"), 1104 County Hills Drive, Ste. 307, Ogden, Utah 84401, and B & B PRODUCTION CO., A General Partnership, P.O. Box 749, Shelby, Montana 59474 ("Assignee").

WITNESSETH:

THAT WHEREAS, Assignor is now the owner and holder of certain Oil and Gas Leases, hereinafter referred to as "Said Leases", covering lands located in Eureka and Elko Counties, Nevada, described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, Assignor desires to assign to Assignee seventy percent (70%) of Assignor's interest in Said Leases and lands demised thereby;

NOW THEREFORE, for and in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor does hereby grant, sell, assign, transfer, convey, set over, and deliver unto Assignee seventy percent (70%) of Assignor's right, title and interest in and to the Said Leases described in the attached Exhibit "A" and the respective lands covered thereby, and the lands appurtenant thereto, subject to the following terms, reservations, covenants and conditions:

1. This Assignment is expressly made subject to the terms, covenants, conditions, exceptions, restrictions and reservations contained in Said Leases and any amendments, assignments and other agreements and documents relating thereto, and Assignee assumes and agrees to perform each and all of the covenants, agreements, terms, conditions and obligations contained in each of the agreements to Assignee hereunder.

2. If the Said Leases described herein covers less than a full oil and gas leasehold estate in any land described herein under such Leases, or if Assignor's interest in Said Leases is less than the full oil and gas leasehold estate (excluding royalty, overriding royalty, or other burdens to which such leasehold estate is subject), then the interest assigned herein shall be proportionately reduced.

3. This assignment is made pursuant to and subject to the terms of that certain Farmout Agreement dated April 27, 1990, by and between Foreland Corporation and J. R. Bacon Drilling Company, Inc.


TO HAVE AND TO HOLD the same unto said Assignee, its successors and assigns, according to the terms and conditions of Said Leases and any intervening assignments affecting same. This Assignment is made without warranty of title, either express or implied, except that the Assignor warrants that it is conveying to Assignee a full seventy percent (70%) working interest in 280 acres held under the Said Leases, representing a 61.25% net revenue interest in the Said Leases.

The reservations herein made, and the provision and covenants contained herein, shall attach to and run with the Said Leases assigned, and the land herein described or referred to, and shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

EXECUTED by Assignor on the date reflected in the acknowledgement of execution, but effective for all purposes as to the date of this Assignment.

Assignor:


FORELAND CORPORATION,
a Nevada corporation

By: 
N. Thomas Steele
Vice President

Assignee:

B & B PRODUCTION CO., a General
Partnership comprised of:

RLB Oil Co., a Montana corporation

By: 
Roy L. Brown, President

and

J.R. Bacon Drilling Company, Inc., a
Utah corporation

By: 
J.R. Bacon, President

CORPORATE ACKNOWLEDGEMENT

STATE OF UTAH)
 :SS
COUNTY OF WEBER)

On this 28th day of March, 1991, personally appeared before me N. Thomas Steele, who being duly sworn, did say that he is the Vice-President of FORELAND CORPORATION and said N. Thomas Steele acknowledged said instrument to be the free act and deed of said corporation.

Given Under by Hand and Seal this 28th day of March, 1991.

My Commission Expires:

9-29-93

Lois H. Thurston
NOTARY PUBLIC
Residing in Stuyvesant, Utah



EXHIBIT "A"

Oil and Gas Leases dated January 12, 1987, January 14, 1987, and January 22, 1987, by and between Franklin B. Cook, Charles F. Cook, Jr., and Chestine Cook and Dawn E. Cook as Co-Conservators for Daniel W. Cook respectively, as Lessors, and Foreland Corporation, as Lessee, recorded in Book 155 at Page 048, Book 156 at Page 262, and Book 156 at Page 385, respectively, of the Official Records of Eureka County, Nevada, and recorded in Book 607 at Page 250, Book 559 at Page 317, and Book 559 at Page 320, respectively, of the Official Records of Elko County, Nevada, covering the following described lands:

Insofar and only insofar as said Leases cover:

Township 31 North, Range 52 East, MDM

Section 33: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$

(Containing 280 acres, more or less)

BOOK 222 PAGE 040
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
B & B Production Co-
'91 APR -8 P1:31

EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEE \$ 8.00
136434