

137192

ASSIGNMENT  
AND  
BILL OF SALE

SUN OPERATING LIMITED PARTNERSHIP, P. O. Box 2880, Dallas, Texas 75221-2880, hereinafter referred to as "Assignor," for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, does hereby assign and convey, WITHOUT WARRANTIES OR COVENANTS OF TITLE, EITHER EXPRESS OR IMPLIED, unto FORELAND CORPORATION, 1104 Country Hills Drive, Ogden, Utah 84403, hereinafter referred to as "Assignee," all of Assignor's right, title and interest in and to properties described in Exhibit "A," attached hereto and made a part hereof, including, but not limited to all of Assignor's right, title and interest in, to and under the following (the "Assets"):

(a) The oil, gas and other mineral leasehold interests described in Exhibit "A" attached hereto and made a part hereof, insofar as such cover and affect the lands, substances and depths described in Exhibit "A";

(b) The wells, equipment and facilities located on the lands described in Exhibit "A" or for use directly in the operation of the interests described in Exhibit "A";

(c) Oil, condensate, natural gas liquid produced after the Effective Date, inventory, including "line fill" and inventory below the pipeline connection in tanks, attributable to the interests described in Exhibit "A";

(d) All contracts and agreements concerning the interests described in Exhibit "A";

(e) All surface use agreements, easements, rights of way, licenses, authorizations, permits, and similar rights and interests applicable to, or used or useful in connection with, any or all of the interests described in Exhibit "A". However, Assignor expressly retains the right to use such surface use agreements, easements, rights of way, licenses, authorizations, permits, and similar rights and interest in the event and to the extent such rights relate to the leasehold or mineral rights or interests described in Exhibit "A" where Assignor retains any rights or interests.

Equipment, wells and personal property located on or used directly in the operation of the Assets are sold AS IS AND WHERE IS, AND WITHOUT WARRANTY OF MERCHANTABILITY, CONDITION OR FITNESS FOR A PARTICULAR PURPOSE, EITHER EXPRESS OR IMPLIED.

From and after Effective Date, Assignee agrees to comply with any and all laws, ordinances, rules and regulations with respect to the Assets, including the abandonment of wells and/or abandonment of the personal property covered herein including, where applicable, ordinances, laws, rules and regulations governing the plugging of wells, the compliance with laws or rules regarding inactive or unplugged wells, including bonding requirements, and the use of explosives in shooting or pulling of casing and tubing. Assignee hereby releases Assignor from any and all responsibility and liability for the plugging and abandonment of wells and/or personal property. Assignee agrees that it shall properly obtain and maintain all permits required by public authorities on the Assets contained herein. Assignee agrees to restore the surface of the land included within the Assets as nearly as possible to its prelease condition when use and operation on that part of the land is completed. Assignee agrees to perform the aforesaid operations at its sole expense, to be solely responsible for damages in connection therewith and to hold Assignor harmless therefrom from and after Effective Date. Assignor, in its sole discretion, may

require additional security to ensure these obligations. Assignee agrees to protect, defend, indemnify and hold Assignor and its employees free and harmless from and against any and all costs, expenses, damages, claims, losses, liabilities, demands and causes of action of every kind and character, including but not limited to pollution and environmental claims arising out of, or in connection with the Assets, plugging requirements or exceptions thereto including bonding requirements, arising out of or in connection with Assignee's or third party(s) operations on said Assets, from and after Effective Date, regardless of whether the liability therefor is based upon an alleged act or omission of Assignor or of Assignee, or of some third party or any combination.

The Assignee and Assignor recognize that the Federal Energy Regulatory Commission Order No. 451 as amended provides for a good faith negotiation process ("GFNP") to amend certain gas sales contracts, which may affect the contractual rights of parties other than the party who initiates the GFNP. Accordingly, if on the date of this Assignment all or any part of the Assets assigned hereunder are covered by a gas sales contract to which Assignor is a party ("Subject Gas Contract"), Assignor reserves the exclusive right to initiate the GFNP with respect to the Subject Gas Contract, and any effort by Assignee to initiate the GFNP in a manner that affects the Subject Gas Contract shall be null and void. In the event Assignor does initiate the GFNP with respect to the Subject Gas Contract or any other gas sales contract with the same gas purchaser, the gas purchaser's renegotiation rights under the GFNP shall apply to gas covered by the Subject Gas Contract and attributable to the interest assigned to Assignee hereunder, to the same extent as such renegotiation rights would have applied to the Subject Gas Contract had there been no offer or assignment.

The Assignee and Assignor further recognize that the Federal Energy Regulatory Commission Order No. 500 as amended provides for the open access transportation of gas by pipeline, with crediting of transported volumes against take-or-pay (or take-and-pay) obligations of the pipeline company unless the pipeline company waives its rights to such crediting. Accordingly, before Assignee makes any arrangements for open access transportation of gas from the Assets assigned hereunder or lands pooled therewith, Assignee agrees to use its best efforts to obtain from the pipeline company a waiver of any offer of credit required of Assignor in connection with such transportation. In the event Assignee is unsuccessful in obtaining the waiver, Assignor agrees to furnish an offer of credit necessary to transport the gas if in Assignor's sole judgment such offer of credit would not have a significant financial harm on Assignor's existing or future take-or-pay (or take-and-pay) rights against such pipeline company. In any event, if Assignor at any time requires an offer of credit from Assignee with respect to gas to be transported by Assignor from the Assets assigned hereunder or other lands, and if Assignor is unsuccessful in obtaining a waiver from the pipeline company involved, Assignee shall furnish such offer of credit upon request and without any conditions or limitations.

Assignee has inspected the Assets for all purposes, including without limitation for the purpose of detecting the presence or concentration of naturally occurring radium, thorium or other such materials (hereinafter referred to as "NORM") and satisfied itself as to their physical and environmental condition, both surface and subsurface, and that Assignee accepts all of the same in their "AS IS, WHERE IS" condition. Assignor disclaims all liability arising in connection with the presence of environmental conditions such as, but not limited to, NORM on the Assets, and if any tests have been conducted by Assignor for the presence of such conditions, Assignor disclaims any warranty respecting the accuracy of such tests for such presence on the property or the results of those tests and disclaims any liability in connection with the tests or results. Assignee certifies and acknowledges that it has all the necessary licenses under applicable state and federal law to accept assignment of the property.

TO HAVE AND TO HOLD the same unto Assignee, its successors and assigns, forever.

The terms and conditions contained herein shall constitute covenants running with the land, and shall be binding upon, and for the benefit of, the respective successors and assigns of Assignor and Assignee.

This Assignment and Bill of Sale shall be effective as of April 1, 1991 at 7:00 a.m. local time where the Assets are located.

EXECUTED THIS 17th day of June, 1991.

ASSIGNOR:

SUN OPERATING LIMITED PARTNERSHIP, BY  
ORYX ENERGY COMPANY (FORMERLY SUN  
EXPLORATION AND PRODUCTION COMPANY),  
ITS MANAGING GENERAL PARTNER

Approved:  
Terms BP  
Legal AME  
Desc BO

By: Joyce T. Hagar  
Attorney-in-Fact

ATTEST:

Boi H. Hurston

ASSIGNEE:

FORELAND CORPORATION

By: H. J. Hurston  
P.P.

Title: \_\_\_\_\_

This instrument prepared by:

Becky McGee  
P. O. Box 2880  
Dallas, Texas 75221-2880

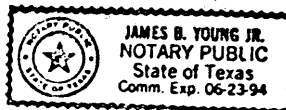
STATE OF TEXAS )

COUNTY OF DALLAS )

On this the 17th day of June, 1991, personally appeared before me, a Notary Public in and for the State of Texas, Joyce T. Hagar, known to me to be the person whose name is subscribed to the within instrument as Attorney-in-Fact of Oryx Energy Company (formerly Sun Exploration and Production Company), as Managing General Partner on behalf of SUN OPERATING LIMITED PARTNERSHIP, and acknowledged to me that he subscribed the name of said partnership thereto as Managing General Partner, and his own name as Attorney-in-Fact, freely and voluntarily and for the uses and purposes therein mentioned.

My Commission Expires: \_\_\_\_\_

James B. Young Jr.  
Notary Public



STATE OF Utah )(

COUNTY OF Weber )(

On this the 24th day of June, 1991, personally appeared before me, a Notary Public in and for the State of Utah, Thomas Steele, known to me to be the person whose name is subscribed to the within instrument as V. President of FORELAND CORPORATION and acknowledged to me that he subscribed the name of said partnership thereto as Managing General Partner, and his own name as V. President, freely and voluntarily and for the uses and purposes therein mentioned.

Tori H. Thurston  
Notary Public

My Commission Expires:  
09-29-93



EXHIBIT "A"

Attached to and Made Part of  
ASSIGNMENT AND BILL OF SALE

ELKO AND EUREKA COUNTIES, NEVADA

LEASE AGREEMENTS (OIL AND GAS OR SURFACE)

PN 404245 - SOUTHERN PACIFIC #2-27 AND PN 499892 - SOUTHERN PACIFIC #1-27

ORYX LEASE NO.: 724488 (2)  
LESSOR: Bravo Oil Company, a Texas Corporation  
LESSEE: Sun Operating Limited Partnership et al  
LEASE DATE: 12/01/82  
RECORDING DATA: MEMO OF OIL & GAS LEASE RECORDED:  
BOOK 212, PAGE 237 - Official Records of  
Eureka County, Nevada  
BOOK 727, PAGE 663 - In the  
Elko County, Nevada records.  
DESCRIPTION: Lots 3 and 4 (E/2 SE/4), W/2 SE/4 Section 27-T29N-R52E.

PN 403249 - SOUTHERN PACIFIC #1-5

ORYX LEASE NO.: 724490 (4)  
LESSOR: Bravo Oil Company, a Texas Corporation  
LESSEE: Sun Operating Limited Partnership et al  
LEASE DATE: 12/01/82  
RECORDING DATA: MEMO OF OIL & GAS LEASE RECORDED:  
BOOK 212, PAGE 243 - Official Records of  
Eureka County, Nevada  
BOOK 727, PAGE 669 - In the  
Elko County, Nevada records.  
DESCRIPTION: Lot 1 Section 5-T30N-R52E.

FOOTNOTE REFERENCES:

- Subject to Farmout and Option Farmout Agreement dated January 9, 1987, as amended, by and between Sun Operating Limited Partnership, Reading & Bates Petroleum Co. and Foreland Corporation. DC-20057
- Subject to Memorandum of Operating Agreement and Financing Statement recorded Book 163, Page 128 of the Eureka County, Nevada records and Book 570, Page 87 of the Elko County, Nevada records. DC-20057.
- Subject to Letter of Intent dated August 21, 1986 by and between Lane Lasrich et al and Sun Exploration and Production Company. DC-20057.
- Subject to Operating Agreement dated July 20, 1987 by and between Foreland Corporation as Operator and Sun Operating Limited Partnership as Non-Operator.

BOOK 223 PAGE 530  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Foreland Corporation*  
91 JUN 25 AM 33

EUREKA COUNTY, NEVADA  
M.N. REGALATI, RECORDER  
FILE NO. FEES 900

AS91505.BFF

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BOOK 223 PAGE 534

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