

RECORDING REQUESTED BY: PHILLIPS PETROLEUM COMPANY
WHEN RECORDED RETURN TO: Phillips Petroleum Company
Attn: R. D. Gallegos - Room 1380
P. O. Box 1967
Houston, TX 77251-1967

144855

ASSIGNMENT OF OVERRIDING ROYALTY

STATE OF NEVADA §
COUNTY OF EUREKA §
KNOW ALL MEN BY THESE PRESENTS: §

That for the sum of Ten Dollars (\$10.00) and other good and valuable consideration paid to it, the receipt and sufficiency of which are hereby acknowledged, PHILLIPS PETROLEUM COMPANY, P. O. Box 1967, Houston, Texas 77251-1967, (hereinafter referred to as "Assignor"), has GRANTED, SOLD, TRANSFERRED, ASSIGNED AND CONVEYED, and by these presents does GRANT, SELL, TRANSFER, ASSIGN AND CONVEY unto BLUE EAGLE EXPLORATION, 4400 South Estes, Littleton, CO 80123, (hereinafter referred to as "Assignee"), as an overriding royalty, .02 percent (2%) of all of the oil, gas and minerals in and under and that may be produced, saved and sold from lands in Eureka County, Nevada, under and by virtue of the oil, gas and mineral leases set forth on Exhibit "A" attached hereto, or any renewals or extensions thereof, to be delivered to said Assignee or to its credit into the pipeline, tank or other receptacle to which the well or wells thereon may be connected, free and clear of all of the costs and expenses of development and operation except the taxes thereon or attributable thereto. It is the intent of Assignor to retain an eighty-five and one-half percent (85.5%) net revenue interest in the leases identified on Exhibit "A".

Operations on said lands and the extent and duration thereof, as well as the perpetuation of such leases by payments, operations, or otherwise, shall be solely at the will and discretion of the Assignor, its successors or assigns.

In the event the leases cover less than the entire mineral fee estate in and to any of the lands hereinafter described in Exhibit "A", such overriding royalty interest herein assigned and conveyed as to such lands shall be reduced to the proportion thereof which the mineral fee estate covered by such leases bears to the entire mineral fee estate.

It is expressly agreed that Assignor, its successors and assigns, shall have the right to

pool or unitize the lands and interests affected by the leases described in said Exhibit "A", including the overriding royalty herein conveyed, without the joinder or consent of Assignee, its successors or assigns. In the event of production from any such pooled unit or from any unit created by a regulatory body having jurisdiction, the overriding royalty herein conveyed shall be computed on the proportionate part of the production from such pooled unit that is allocated to the property subject to said overriding royalty, and unless otherwise allocated by order of a regulatory body, the amount of such production to be so allocated from each such unit shall be that proportion of such total production that the surface area of the property affected hereby and included within such unit bears to the total surface area of all lands within such unit.

This assignment and conveyance is made without warranty of title, express or implied, except as to conveyances or encumbrances by, through or under the undersigned.

TO HAVE AND TO HOLD the herein assigned properties and interests unto said Assignee, its heirs and assigns forever.

IN WITNESS WHEREOF, this instrument is executed this 24th day of February, 1993.

PHILLIPS PETROLEUM COMPANY

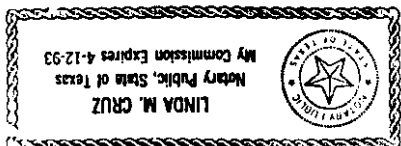
By: J. E. Herndon
Attorney-in-Fact

STATE OF TEXAS
COUNTY OF HARRIS
§
§
§

On this 24th day of February, 1993, before me, a Notary Public, personally appeared J. E. Herndon, to me known to be the Attorney-in-Fact of Phillips Petroleum Company, and acknowledged to me that he executed the same on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto set my official signature and affixed my notarial seal the day and year first above written.

Linda M. Cruz
Notary Public in and for
Harris County, Texas



STATE OF NEVADA , COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
219576	000	USA-N-56622 PHILLIPS PETROLEUM CO.	01/01/93	3 22N 52E LOTS 1,2,3,4, S/2 N/2, S/2 4 22N 52E LOTS 1,2,3,4, S/2 N/2, S/2
219577	000	USA-N-56623 PHILLIPS PETROLEUM CO.	01/01/93	5 22N 52E LOTS 1,2,3,4, S/2 N/2, S/2 6 22N 52E LOTS 1,2,3,4,5,6,7, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4
219578	000	USA-N-56624 PHILLIPS PETROLEUM CO.	01/01/93	7 22N 52E LOTS 1,2,3,4, E/2, E/2 W/2 18 22N 52E LOTS 1,2,3,4, E/2, E/2 W/2
219579	000	USA-N-56626 PHILLIPS PETROLEUM CO.	01/01/93	9 22N 52E ALL 16 22N 52E ALL
219580	000	USA-N-56627 PHILLIPS PETROLEUM CO.	01/01/93	10 22N 52E ALL 15 22N 52E ALL
220940	000	USA-N-55901 RICHARD R. SUTTON	06/01/92	18 23N 52E LOTS 1-6, E/2 LOT 7, LOTS 8-11, E/2 LOT 12, E/2 19 23N 52E LOTS 1-4,6,7,8,10,11,12, E/2

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
220941	000	USA-N-55900 RICHARD R. SUTTON	06/01/92	6 23N 52E LOTS 1-14, E/2 LOT 15, S/2 NE/4, SE/4 23N 52E 7 E/2 LOT 1, LOTS 2-12, E/2
220942	000	USA-N-55899 RICHARD R. SUTTON	06/01/92	5 23N 52E E/2, SW/4, (PRO DIA 165), LOTS 3, 4, S/2 NW/4, MDM 23N 52E 8 ALL, (PRO DIA 165), MDM
220943	000	USA-N-55898 RICHARD R. SUTTON	06/01/92	25 22N 52E ALL, MDM
220944	000	USA-N-55897 RICHARD R. SUTTON	06/01/92	36 22N 52E ALL, MDM 19 22N 52E LOTS 1-4, E/2, E/2 W/2, MDM 20 22N 52E ALL, MDM 21 22N 52E ALL, MDM
220945	000	USA-N-55864 RICHARD R. SUTTON	06/01/92	25 24N 52E S/2 SW/4, MDM 35 24N 52E LOTS 1,2,7,8, NE/4, MDM 36 24N 52E N/2 NW/4, SW/4 NW/4, MDM

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
220946	000	USA-N-55863 RICHARD R. SUTTON	06/01/92	12 24N 52E W/2 NE/4, W2, SE/4, MDM
220947	000	USA-N-55862 RICHARD R. SUTTON	06/01/92	13 24N 52E NW/4, MDM
				3 23N 52E ALL, MDM (PRO DIA 165)
				4 23N 52E ALL, MDM (PRO DIA 165)
				9 23N 52E ALL, MDM (PRO DIA 165)
220948	000	USA-N-55861 RICHARD R. SUTTON	06/01/92	14 22N 52E ALL, MDM
				22 22N 52E ALL, MDM
				23 22N 52E ALL, MDM
221056	000	USA-N-56244 RICHARD R. SUTTON	09/01/92	20 25N 53E ALL 25N 53E 30 LOTS 1-4, E/2, E/2 W/2 53E 31 25N 53E LOTS 1-4, E/2, E/2 W/2
221057	000	USA-N-56243 RICHARD R. SUTTON	09/01/92	05 25N 53E SW/4 NE/4 53E 06 25N 53E LOTS 3-7, SE/4 NW/4, E/2 SW/4

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EXHIBIT "A" (OIL AND GAS LEASES)

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221058	000	USA-N-56241 RICHARD R. SUTTON	09/01/92	07 25N 53E LOTS 1,2,3, E/2 NW/4
221059	000	USA-N-56239 RICHARD R. SUTTON	09/01/92	34 28N 52E E/2 35 28N 52E ALL 28N 52E 36 28N 52E ALL
221060	000	USA-N-56027 RICHARD R. SUTTON	09/01/92	26 22N 52E ALL 35 22N 52E ALL
221061	000	USA-N-56026 RICHARD R. SUTTON	09/01/92	06 26N 53E LOTS 1-14, S/2 NE/4, SE/4 NW/4, NE/4 SE/4, S/2 SE/4 07 26N 53E LOTS 1-9, E/2, SE/4 SW/4 08 26N 53E SW/4 NE/4, W/2, SE/4 18 26N 53E LOTS 1-8, E/2 W/2, E/2
221062	000	USA-N-56025	09/01/92	27 22N 52E

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221063	000	RICHARD R. SUTTON USA-N-56024	09/01/92	ALL 22N 52E 28 ALL 22N 52E 33 ALL 22N 52E 34 ALL 27N 52E ALL 27N 52E
221064	000	RICHARD R. SUTTON USA-N-56023	09/01/92	ALL 24 52E 34 ALL 27N 52E ALL 27N 52E
221065	000	RICHARD R. SUTTON USA-N-56022	09/01/92	ALL 25 52E ALL 26N 52E 36 ALL 26N 52E ALL 35 26N 52E
221066	000	RICHARD R. SUTTON USA-N-56021	09/01/92	ALL 11 26N 52E ALL 12 26N 52E ALL 13 26N 52E ALL 14 26N 52E E/2, E/2 W/2, NW/4 NW/4, W/2 SW/4

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION	
221067	000	USA-N-56020 RICHARD R. SUTTON	09/01/92	23 ALL 24 ALL 25 ALL 26 ALL	26N 52E 26N 52E 26N 52E 26N 52E
221068	000	USA-N-56019 RICHARD R. SUTTON	09/01/92	1 LOTS 1-4, S/2 N/2, S/2 2 LOTS 1-4, S/2 N/2, SW/4, N/2 SE/4, SW/4 SE/4	26N 52E 26N 52E
221069	000	USA-N-56018 RICHARD R. SUTTON	09/01/92	22 ALL (PRO DIA 164) 23 ALL (PRO DIA 164) 26 ALL (PRO DIA 164) 27 ALL (PRO DIA 164)	25N 52E 25N 52E 25N 52E
221070	000	USA-N-56017 RICHARD R. SUTTON	09/01/92	11 ALL (PRO DIA 164) 14 ALL (PRO DIA 164) 15 ALL (PRO DIA 164)	25N 52E 25N 52E 25N 52E
221071	000	USA-N-56016 RICHARD R. SUTTON	09/01/92	02 ALL (PRO DIA 164) 03	25N 52E 25N 52E

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221073	000	USA-N-56014 RICHARD R. SUTTON	09/01/92	ALL (PRO DIA 164) 10 25N 52E ALL (PRO DIA 164) 19 27N 53E LOTS 1-8, E/2 W/2, E/2 30 27N 53E LOTS 1-8, E/2 W/2, E/2 31 27N 53E LOTS 1-8, E/2 W/2, E/2 1 15N 51E LOTS 1,2,3,4, S/2 N/2, S/2, MDM 2 15N 51E LOTS 1,2,3,4, S/2 N/2, S/2, MDM 11 15N 51E ALL, MDM 12 15N 51E ALL, MDM 13 15N 51E ALL, MDM 14 15N 51E ALL, MDM 23 16N 51E ALL, MDM 24 16N 51E ALL, MDM 26 16N 51E ALL, MDM 27 16N 51E ALL, MDM
221177	000	USA-N-55497 RICHARD R. SUTTON	04/01/92	
221178	000	USA-N-55498 RICHARD R. SUTTON	04/01/92	
221297	000	USA-N-55500 RICHARD R. SUTTON	04/01/92	

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221298	000	USA-N-55466 RICHARD R. SUTTON	03/01/92	25 16N 51E ALL, MDM 34 16N 51E ALL, MDM 35 16N 51E ALL, MDM 36 16N 51E ALL, MDM
221299	000	USA-N-55501 RICHARD R. SUTTON	04/01/92	1 24N 51E LOTS 1,2,3,4, S/2 N/2, N/2 S/2, SE/4 SW/4, S/2 SE/4, MDM 12 24N 51E E/2, NE/4 NW/4, W/2 SW/4
221304	000	USA-N-55508 RICHARD R. SUTTON	04/01/92	6 16N 52E ALL, PRO DIA 202, MDM 19 16N 52E ALL, PRO DIA 202, MDM 30 16N 52E ALL, PRO DIA 202, MDM 31 16N 52E ALL, PRO DIA 202, MDM
221305	000	USA-N-55468 RICHARD R. SUTTON	03/01/92	12 16N 52E ALL, PRO DIA 202, MDM 13 16N 52E ALL, PRO DIA 202, MDM 24 16N 52E ALL, PRO DIA 202, MDM 25 16N 52E ALL, PRO DIA 202, MDM
221306	000	USA-N-55509	04/01/92	20 16N 52E

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER	LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221307 000	RICHARD R. SUTTON USA-N-55511	04/01/92	ALL, PRO DIA 202, MDM 21 16N 52E ALL, PRO DIA 202, MDM 29 16N 52E ALL, PRO DIA 202, MDM 32 16N 52E ALL, PRO DIA 202, MDM 28 16N 52E
221308 000	RICHARD R. SUTTON USA-N-55512	04/01/92	ALL, PRO DIA 202, MDM 33 16N 52E ALL, PRO DIA 202, MDM 36 16N 52E ALL, PRO DIA 202, MDM 1 22N 52E
221309 000	RICHARD R. SUTTON USA-N-55513	04/01/92	LOTS 5,6,7,8, S/2 N/2, S/2, MDM 2 22N 52E LOTS 1,2,3,4, S/2 N/2, S/2, MDM 11 22N 52E ALL, MDM 22N 52E ALL, MDM 22N 52E 2 23N 52E
221310 000	RICHARD R. SUTTON USA-N-55514	04/01/92	W/2, PRO DIA 165, MDM 10 23N 52E ALL, PRO DIA 165, MDM 11 23N 52E W/2, PRO DIA 165, MDM 15 23N 52E ALL, PRO DIA 165, MDM 13 23N 52E

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LEASE NUMBER		LESSOR LESSEE	STATE OF NEVADA , COUNTY OF EUREKA	DATE OF LEASE RECORDING DATA	DESCRIPTION
221311	000	RICHARD R. SUTTON USA-N-55515	RICHARD R. SUTTON	04/01/92	LOTS 1,2,3,4,5,6,7,8, NE/4, NW/4, MDM 14 23N 52E E/2, W/2 PRO DIA 165, MDM 23 23N 52E E/2, W/2 PRO DIA 165, MDM 24 23N 52E LOTS 1,2,3,4, MDM
					16 23N 52E
					ALL, PRO DIA 165, MDM 17 23N 52E ALL, PRO DIA 165, MDM 20 23N 52E ALL, PRO DIA 165, MDM
221312	000				21 23N 52E
					ALL, PRO DIA 165, MDM 22 23N 52E ALL, PRO DIA 165, MDM 27 23N 52E ALL, PRO DIA 165, MDM 28 23N 52E ALL, PRO DIA 165, MDM
221313	000	RICHARD R. SUTTON USA-N-55517	RICHARD R. SUTTON	04/01/92	25 23N 52E
					W/2 NW/4, S/2, MDM 26 23N 52E E/2, W/2 PRO DIA 165, MDM 35 23N 52E E/2, W/2 PRO DIA 165, MDM 36 23N 52E SE/4 NE/4, S/2
221314	000	USA-N-55518		04/01/92	29 23N 52E

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221315	000	RICHARD R. SUTTON USA-N-55519	04/01/92	ALL, PRO DIA 165, MDM 32 23N 52E N/2, SE/4, PRO DIA 165, SW/4, MDM
221316	000	RICHARD R. SUTTON USA-N-55520	04/01/92	LOTS 1,2,3,4,5,6,7,8,9,10,11,12, E/2 31 23N 52E LOTS 1,2,3,4,5,6,7,8,9,10,11,12, E/2
221317	000	RICHARD R. SUTTON USA-N-55521	04/01/92	33 23N 52E ALL, PRO DIA 165, MDM 34 23N 52E ALL, PRO DIA 165, MDM
221318	000	RICHARD R. SUTTON USA-N-55522	04/01/92	3 24N 52E ALL, PRO DIA 164, MDM 4 24N 52E ALL, PRO DIA 164, MDM 5 24N 52E ALL, PRO DIA 164, MDM 6 24N 52E ALL, PRO DIA 164, MDM 7 24N 52E ALL, PRO DIA 164, MDM 8 24N 52E ALL, PRO DIA 164, MDM 9 24N 52E ALL, PRO DIA 164, MDM 10 24N 52E ALL, PRO DIA 164, MDM

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221319	000	USA-N-55523 RICHARD R. SUTTON	04/01/92	14 24N W/2, PRO DIA 164, MDM 15 24N ALL, PRO DIA 164, MDM 16 24N ALL, PRO DIA 164, MDM 17 24N ALL, PRO DIA 164, MDM 52E
221320	000	USA-N-55524 RICHARD R. SUTTON	04/01/92	18 24N ALL, PRO DIA 164, MDM 19 24N ALL, PRO DIA 164, MDM 30 24N ALL, PRO DIA 164, MDM 31 24N N/2, SE/4, PRO DIA 164, LOTS 3,4, E/2 SW/4, MDM 52E
221321	000	USA-N-55525 RICHARD R. SUTTON	04/01/92	20 24N ALL, PRO DIA 164, MDM 21 24N ALL, PRO DIA 164, MDM 22 24N ALL, PRO DIA 164, MDM 23 24N W/2, PRO DIA 164, MDM 52E
221322	000	USA-N-55526 RICHARD R. SUTTON	04/01/92	26 24N W/2, PRO DIA 164, MDM 27 24N ALL, PRO DIA 164, MDM 28 24N ALL, PRO DIA 164, MDM 52E

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STATE OF NEVADA , COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221323	000	USA-N-55527 RICHARD R. SUTTON	04/01/92	29 ALL, PRO DIA 164, MDM 24N 52E 32 ALL, PRO DIA 164, MDM 24N 52E 33 ALL, PRO DIA 164, MDM 24N 52E 34 N/2, SW/4, PRO DIA 164, SE/4, MDM 24N 52E 35 LOTS 3,4,5,6, NW/4, MDM 24N 52E
221326	000	USA-N-55706 RICHARD R. SUTTON	05/01/92	1 ALL, PRO DIA 116, MDM 17N 52E 2 ALL, PRO DIA 116, MDM 17N 52E 3 ALL, PRO DIA 116, MDM 17N 52E 12 ALL, PRO DIA 116, MDM 17N 52E
221327	000	USA-N-55707 RICHARD R. SUTTON	05/01/92	25 ALL, PRO DIA 116, MDM 18N 52E 26 ALL, PRO DIA 116, MDM 18N 52E 35 ALL, PRO DIA 116, MDM 18N 52E 36 ALL, PRO DIA 116, MDM 18N 52E
221328	000	USA-N-55708 RICHARD R. SUTTON	05/01/92	27 ALL, PRO DIA 116, MDM 18N 52E 28 ALL, PRO DIA 116, MDM 18N 52E

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STATE OF NEVADA, COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221329	000	USA-N-55709 RICHARD R. SUTTON	05/01/92	29 18N ALL, PRO DIA 116, MDM
				52E
				32 18N
				52E
				ALL, PRO DIA 116, MDM
				33 18N
				52E
				ALL, PRO DIA 116, MDM
				34 18N
				52E
				ALL, PRO DIA 116, MDM

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OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Phillips Petroleum
93 MAR -1 P2:56
EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. 144855
FEE \$20

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