

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

144856

ASSIGNMENT OF OVERRIDING ROYALTY

STATE OF NEVADA
§
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF EUREKA AND ELKO
§

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

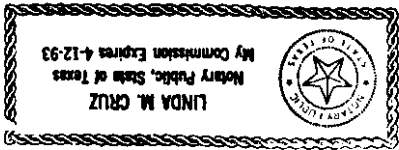
By: [Signature]
J. E. Herndon
Attorney-in-Fact

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 ELKO AND COUNTY OF EUREKA

LEASE NUMBER		LESSOR LESSEE	DATE OF LEASE RECORDING DATA	DESCRIPTION
221072	000	USA-N-56015 RICHARD R. SUTTON	09/01/92	20 27N 53E ALL 27N 53E 29 ALL 27N 53E 32 ALL, EXCLUDING MINERAL PATENTS 45107 AND 1071640
221074	000	USA-N-56013 RICHARD R. SUTTON	09/01/92	6 27N 53E LOTS 1-11, S/2 NE/4, SE/4 NW/4, E/2 SW/4, SE/4 27N 53E 7 LOTS 1-8, E/2 W/2, E/2 27N 53E 18 27N 53E LOTS 1-8, E/2 W/2, E/2

BOOK 245
PAGE 598
RECORDED AT THE REQUEST OF
Philippe Polivium
93 MAR -1 P2:56
EUREKA COUNTY, NEVADA
M.N. REBAL EATL. RECORDER
FILE NO. 144856
FEE \$ 700

BOOK 245 PAGE 600