

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 conveyed by such leases bears to the entire mineral fee estate.

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 Phillips Petroleum Company, its successors or assigns.

(hereinafter referred to as "Assignee"), as an overriding royalty, .01 percent (1%) of all of the oil, gas and minerals in and under and that may be produced, saved and sold from the lands in EUREKA AND ELKO Counties, 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 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 costs and expenses of development and operation except the taxes thereon or attributable thereto. The above interest was conveyed into Assignor by that Assignment of Overriding Royalty dated February 24, 1993, between Phillips Petroleum Company and Blue Eagle Exploration.

STATE OF NEVADA
SILVER CANYON RANCH
HIKO, NEVADA 89017
CEDAR STRAT CORPORATION

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, BLUE EAGLE EXPLORATION, 5944 South Kipling St., Suite 305, Littleton, Colorado 80127, (hereinafter referred to as "Assignor"), has GRANTED, SOLD, TRANSFERRED, ASSIGNED AND CONVEYED, and by these presents does GRANT, SELL, TRANSFER, ASSIGN AND CONVEY unto the following party:

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

ASSIGNMENT OF OVERRIDING ROYALTY

WHEN RECORDED RETURN TO:
BLUE EAGLE EXPLORATION
Attn: R.L. Chamberlain
5944 South Kipling St., Suite 305
Littleton, CO 80127

RECORDING REQUESTED BY:
BLUE EAGLE EXPLORATION

145442



My commission expires

June 29, 1996

Notary Public

[Signature]

On this day of June, 1993, before me, a Notary Public, personally appeared Randy L. Chamberlain, to me known to be the President of Blue Eagle Exploration, a corporation, 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.

STATE OF COLORADO)
COUNTY OF JEFFERSON)



President

Randy L. Chamberlain

By: [Signature]

BLUE EAGLE EXPLORATION

April, 1993.

IN WITNESS WHEREOF, this instrument is executed this 26th day of

unto said Assignee, its heirs and assigns forever.

TO HAVE AND TO HOLD the herein assigned properties and interests

under the undersigned.

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

such unit.

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

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 29 27N 53E ALL 32 27N 53E 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 7 27N 53E LOTS 1-8, E/2 W/2, E/2 18 27N 53E LOTS 1-8, E/2 W/2, E/2

BOOK 247 PAGE 324
 OFFICIAL RECORDS
 RECORDED AT THE REQUEST OF
Roger Nelson
 93 MAY 14 AM 1:01
 EUREKA COUNTY, NEVADA
 M.N. REBALCATION RECORD
 FILE NO. 145442
 FEES \$ 700

BOOK 247 PAGE 326