

Recording Requested By:
FORELAND CORPORATION
When Recorded Mail to:
Bruce C. Decker
Foreland Corporation
1104 Country Hills Drive, Ste. 307
Ogden, UT 84403

145671

SUBORDINATION OF DEED OF TRUST
TO LESSEE'S INTEREST
IN
OIL AND GAS LEASE
AND
ASSIGNMENT OF LESSOR'S INTEREST
AS ADDITIONAL SECURITY

KNOW ALL MEN BY THESE PRESENTS:

The lien of that certain Deed of Trust, dated June 29, 1983, executed by DANIEL H. RUSSELL and ROBERTA A. RUSSELL, husband and wife, as trustors (collectively "Russell"), to Washoe Title Guaranty Company, a Nevada corporation ("Trustee"), for the benefit of METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation ("MetLife"), recorded in Eureka County, Nevada, on June 29, 1983, as Document Number 88021, in Book 111, at Page 576, and re-recorded on the same day as Document Number 88472, in Book 112, at Page 556 (the "Deed of Trust"), is hereby made subordinate only to the interests of FORELAND CORPORATION, 1104 Country Hills Drive, Suite 307, Ogden, Utah 84403 ("Foreland"), under that certain Oil and Gas Lease dated May 3, 1993, covering certain real property in Eureka County, Nevada, made by Foreland, as lessee, and Russell, as lessor, a true and correct copy of which is attached hereto and by this reference incorporated herein (the "Lease"). Foreland hereby acknowledges and agrees that at the request of Russell all rentals, delay rentals, royalties, in-lieu royalties, bonus payments, surface damages and other entitlements of every kind and nature otherwise payable under the Lease ("Lease Payments") to Russell, as lessor, shall instead be paid by Foreland directly to MetLife, at 7100 N. Financial Drive, Fresno, California 93710, Attention: Manager. All Lease Payments shall be applied on Russell's obligations to MetLife as secured by the Deed of Trust. This subordination shall remain effective for the benefit of Foreland in the event of a re-recording of the Deed of Trust, or the giving of any notices or the taking of any actions by Trustee or MetLife permitted under the Deed of Trust, or otherwise.

In consideration of MetLife's subordination of the Deed of Trust for the benefit of Foreland, Russell does hereby

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assign, transfer, and convey to MetLife, as additional security for Russell's obligations secured by the Deed of Trust, all of Russell's right, title, and interest to receive future Lease Payments under the Lease.

With respect to the interest of Foreland and Foreland's successors in interest under the Lease, without knowledge of the accuracy or lack thereof of any representations and/or warranties set forth in the Lease, MetLife does hereby ratify the written provisions of the Lease and the rights of Foreland thereunder.

This subordination is applicable only to the lien of MetLife as described in the Deed of Trust and not to the lien, claim, or other interest, if any, in or to the real property described in the Lease by any other person or entity.

IN WITNESS WHEREOF, Russell, MetLife, and Foreland have executed this instrument effective as of April 25, 1993.

Daniel H. Russell
DANIEL H. RUSSELL

Roberta A. Russell
ROBERTA A. RUSSELL

"Russell"

METROPOLITAN LIFE INSURANCE
COMPANY, a New York corporation

By Laura J. Smith
ASSISTANT VICE PRESIDENT

Title: _____
"MetLife"

FORELAND CORPORATION

By James C. Dubois

Title: Vice President
"Foreland"

STATE OF California)
COUNTY OF Sacramento) ss.

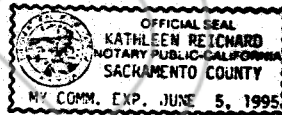


On April 28, 1993, before me, Kathleen Reichard, a Notary Public in and for the State of California, personally appeared DANIEL H. RUSSELL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Kathleen Reichard

STATE OF California)
COUNTY OF Sacramento) ss.



On April 28, 1993, before me, Kathleen Reichard, a Notary Public in and for the State of California, personally appeared ROBERT A. RUSSELL, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

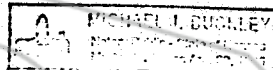
Signature Kathleen Reichard

STATE OF Kansas)
COUNTY OF Johnson) ss.

On April 26, 1993, before me, Michael J. Buckley, a Notary Public in and for the State of Kansas, personally appeared Darrell J. Smith, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Michael J. Buckley

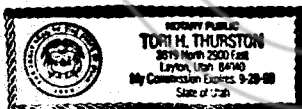


STATE OF Utah)
COUNTY OF Utah) ss.

On June 8, 1993, before me, Tom H. Thurston, a Notary Public in and for the State of Utah, personally appeared Bruce C. Decker, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature Tom H. Thurston



"PAID UP"
OIL AND GAS LEASE

Produced Pursuant to F.R.

THIS AGREEMENT made and entered into as effective the third day of May, 1993
by and between Daniel H. Russell and Roberta A. Russell, husband and wife

of County, State of California, hereinafter called the lessor (whether one or more), whose Post Office address is 2991 B Gold Canal Dr., Rancho Cordova, CA 95670
and 1104 Country Hills Dr., Ste 307, Ogden, Utah 84403 hereinafter called the lessee, WITNESSETH:
(1) That said lessor for and in consideration of the sum of Ten Dollars and other good and valuable consideration Dollars on hand paid by the lessee, the receipt of which is hereby acknowledged, and of the covenants and agreements herein contained on the part of the lessee to be paid, kept and performed, by these presents does grant, demise, lease and let exclusively unto the lessee, its successors and assigns, for the purpose of mining and operating for and producing oil, gas and other hydrocarbons (including the exclusive right to make any kind or character of geological or geophysical surveys or tests) and of laying pipe lines, constructing levees, erecting buildings and other structures, and all other rights and privileges necessary, incident, or convenient for the economical operation of said lands, alone or co-jointly with neighboring lands, the following described premises situate in Township Range State of To wit:

SEE DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF.

containing _____ acres, more or less, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of California (1985)
(2) This lease shall remain in force for a term of _____ years from this date and as long thereafter as oil or gas or can be produced from said lands by the lessee. The consideration above stated is paid to and accepted by lessor as a good and sufficient consideration for all rights and privileges herein granted to lessee, its successors or assigns.

(3) The lessee shall pay to the lessor, as royalty, the proceeds from one-eighth (1/8) of all the oil and gas and other hydrocarbons produced and sold from the leased premises at the prevailing market price therefor at the wells not exceeding amount received by lessee.

(4) If operations for the drilling of a well are not commenced on said lands on or before one year from the date hereof, the lessee shall terminate unless the lessee shall, on or before one year from the date hereof, pay or tender to the lessor or for the lessor's credit in the

Not applicable. Bank at Not Applicable
or its successors which bank or its successors shall be the lessor's agent and shall continue as the depository of any and all sums payable under this lease, regardless of changes of ownership in said lands or in the oil and gas, or in the rentals to accrue thereunder, the sum of Not Applicable Dollars if Not Applicable.

which shall operate as rental and cover the privilege of the commencement of drilling operations for the further period of one year in like manner and upon like payments or tenders, the commencement of drilling operations may be further deferred for the periods successively. All payments or tenders may be made by check of lessee, or any assignee thereof, mailed to the post office address of the lessor as hereinabove set forth or delivered on or before the rental paying period. Provided, however, the lessee shall be granted a thirty (30) day grace period within which to make such payments and this lease shall not be forfeited if such payments are made within said thirty (30) day grace period after the time for payment as provided in this paragraph. If at any time more than six persons shall be entitled to participate in the rentals or royalties hereunder, lessee at its election may pay all rentals and royalties thereafter accruing to the credit of this lease in the depository bank last designated by lessor as herein provided, or lessee may withhold payment unless and until such persons shall designate, in a recordable instrument to be filed with the lessee, a common agent or trustee to receive all payments hereunder, and to execute and deliver rental receipts, division orders and/or transfer orders on behalf of said persons and their respective successors in interest.

(5) Subject to the provisions of Section 6 hereof, it is agreed that (a) if during the primary term lessee shall, prior to obtaining production, drill a dry hole, or after discovery production shall cease from any cause, this lease shall not terminate, provided (1) production shall be resumed or operations for the drilling of a well shall be commenced on or before the next ensuing rental paying date, or (2) lessee begins or resumes the payment of rentals in the manner and amount above provided on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production, (b) if, at or after the expiration of the primary term, oil, gas or other hydrocarbon cannot be or is not being produced on said land, or lands unitized therewith, for any cause, but lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty consecutive days, and, if they result in the production of oil, gas or other hydrocarbon, no longer thereafter as oil, gas or other hydrocarbon is or can be produced.

(6) It is agreed that the times for beginning or for performing any work or operations under this lease shall be suspended or extended during such periods of time as such work or operations shall be delayed, interrupted or prevented by any cause of whatever kind or nature beyond the reasonable control of the lessee. If, after production has been obtained, operations under this lease are delayed, interrupted or prevented by lack of reasonable market, or by any cause of whatever kind or nature beyond the reasonable control of the lessee, this lease shall not terminate or be forfeited and no right of damages shall exist against lessee by reason thereof, provided operations are commenced or resumed within a reasonable time after removal of such cause. If at any time within three months prior to the expiration of the primary term of this lease, production has not been obtained and the commencement or continuance of operations for the drilling of a well on said lands is delayed or prevented by any of the causes mentioned in this paragraph, the said primary term and all other terms of this lease may be extended for successive periods of time while such cause or causes exist, by continuing the payment or tender of delay rentals in the manner and amount and for the periods of time as provided in Section 4 of this lease for deferment of the commencement of drilling operations during the said primary term.

(7) Lessee, free of cost, may use oil, gas, or water found on said lands for operating purposes, but not water from lessor's wells, lessor to have free gas for stoves and made lights in the principal dwelling house on said lands, from any well thereon producing gas only, by making his own connections therewith, the use of such gas to be at the sole risk and expense of the lessor. Gas, including casinghead gas and residue gas, produced from any oil or gas well unavoidably lost, or which may be used by lessee in any process for recovering oil or other liquid hydrocarbons from the leased premises, or returned to the ground, whether provided on or before the rental paying date next ensuing after the expiration of three months from date of completion of dry hole or cessation of production, (b) if, at or after the expiration of the primary term, oil, gas or other hydrocarbon cannot be or is not being produced on said land, or lands unitized therewith, for any cause, but lessee is then engaged in drilling or reworking operations thereon, this lease shall remain in force so long as operations are prosecuted with no cessation of more than sixty consecutive days, and, if they result in the production of oil, gas or other hydrocarbon, no longer thereafter as oil, gas or other hydrocarbon is or can be produced.

(8) If the estate of either party hereto is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to their heirs, executors, administrators, successors and assigns, but no change of ownership in the land or in the rentals or royalties shall be binding on the lessee until it has been notified thereof and has been furnished forty-five (45) days before payment is due with this original recorded transfer or assignment or a certified copy thereof. If lessee assigns this lease, in whole or as to specific parts, or as to an undivided interest therein, the obligation, if any, to pay rentals shall be apportioned as between the several lease owners ratably according to their respective interests therein, and default by one or more in the payments or tenders of rentals shall not affect the validity of the lease on the portion of said lands or mineral interest therein upon which pro rata rentals are duly paid or tendered. Upon any assignment by lessee, it shall thereafter be relieved of all future expressed or implied obligations as to the portion or part assigned.

(9) The rights of either party hereunder may be assigned, in whole or in part, and the provisions hereof shall extend to the heirs, successors and assigns of the parties hereto, but no change or division in ownership of the land, rentals, or royalties, however accomplished, shall operate to enlarge the obligations or diminish the rights of lessee. There shall be no obligation on the part of the lessee to offset wells on separate tracts into which the land covered by this lease is now or may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or receiving tanks.

(10) Lessor hereby warrants and agrees to defend the title to the lands herein described and agrees that the lessee, at its option, may pay and discharge an judgments, taxes, mortgages, or other liens on or against the above described lands, and may also redeem said lands for and on behalf of the lessor or lessee, and in the event lessee exercises such option, it shall be subrogated to the rights of any holder or holders thereof and may reimburse itself by applying to the discharge of any such judgment, tax, mortgage or other lien, any royalty or rentals accruing hereunder. The lessee may become purchaser at any and all tax or foreclosure sales of the above lands. Lessor agrees to pay one-eighth (1/8) of all taxes of whatsoever kind or character now or hereafter levied by any duly constituted taxing authority upon the oil, gas, and other hydrocarbons produced from the premises hereinabove described, but the lessee shall have the right to pay such tax and to deduct the lessor's proportionate share thereof from any royalty payments accruing hereunder. In case the lessor owns a lease interest in the above described premises than the entire and undivided fee simple mineral estate therein, then the royalties and rentals in this lease provided for shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided mineral fee.

"Unexecuted Oil & Gas Lease w/ attachments"
Exhibit attached to the Subordination and Ratification of Oil & Gas Lease executed Metropolitan Life Insurance Company.

Page 1 of 4.

Metropolitan
Life Insurance
Representatives
Initials:

Ref
DHR
Red

EXHIBIT A
"Unexecuted Oil & Gas Lease w/ attachments"
Exhibit attached to the Subordination and Ratification of Oil &
Gas Lease executed Metropolitan Life Insurance Company.

(11) If lessee at any time should include all or any part of the lands covered by this lease in a unit or cooperative operating agreement, lessee shall have the right to include lessor a royalty interest in said agreement and thereupon said agreement shall exclusively control the drilling, operating, and producing of such lands, anything to the contrary in this lease notwithstanding. The commencement and conduct of drilling operations on any part of the lands included in such agreement shall be deemed to comply with and satisfy all provisions of this lease relative to commencement and conduct of drilling operations. If oil, gas or other hydrocarbon is found in paying quantities on any of the tracts of land included in such agreement, whether or not on lands included in this lease, the royalty payments, provided by Section 3 hereof, shall be paid only upon the portion of such production which is allocated under said agreement to lands covered by this lease, and the lease shall remain in force as long as oil, gas or other hydrocarbon is or can be produced from such tracts, or any of them. Any agreement made by lessee under this paragraph shall be in writing, and lessee shall furnish lessor with a copy of the signed agreement.

(12) This lease shall not be terminated, forfeited or canceled for failure by lessee to perform in whole or in part any of its implied covenants, conditions, or stipulations until it shall have been first finally and judicially determined that such failure or default exists, and thereupon lessee shall be given a reasonable time thereafter to correct any default. As determined, or at lessee's election it may surrender the lease with option of reserving under the terms of this lease each producing well and ten (10) acres surrounding it as selected by lessee, together with the right of ingress and egress thereto. Lessee shall not be liable in damages for breach of any implied covenant or stipulation.

(13) Lessee may at any time surrender this lease as to all or any part of the lands or minerals covered hereby, by delivering or making a release thereof to the lessor or by placing a release thereof of record in the proper county, and if surrendered only as to a part of said lands, any delay rentals or acreage payments which may thereafter be payable hereunder shall be reduced proportionately. All lands leased shall remain subject to assessments for rights of way necessary or convenient for lessee's operations on land retained by it.

(14) This lease and all its terms, conditions, and stipulations, shall extend to and be binding upon all heirs, devisees, representatives, successors or assigns of said lessor or lessee.

(15) This lease may be executed in any number of counterparts with the same force and effect as if all parties had signed the same document, and this lease shall be effective as to each lessor on a recitation hereof as to his or her interest and shall be binding on those signing notwithstanding some of the lessors above named may not sign in the execution hereof.

(16) See addendum attached hereto and made a part hereof.

.....
Daniel H. Russell

.....
Roberta A. Russell

.....
FORELAND CORPORATION

LESSOR

.....
LEASEE

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On this _____ day of _____, 19____, personally appeared before me Daniel H. Russell and Roberta A. Russell, the signers of the attached document, who duly acknowledged to me that they executed the same.

My Commission Expires: _____

Notary Public
Residing in _____

CORPORATE ACKNOWLEDGEMENT

STATE OF UTAH)
) ss.
COUNTY OF WEBER)

On this _____ day of _____, 19____, personally appeared before me _____ who being duly sworn, did say that he is the _____ of Foreland Corporation and that said instrument was signed and sealed in behalf of said Foreland Corporation by authority of its Board of Directors, and said _____ acknowledged said instrument to be the free act and deed of said Foreland Corporation.

Given Under By Hand and Seal this _____ day of _____, 19____.

My Commission Expires _____

Notary Public
Residing in _____

Page 2 of 4.

Metropolitan
Life Insurance
Representatives
Initials:

DPH
Red

BOOK 248 PAGE 112

EXHIBIT A
"Unexecuted Oil & Gas Lease w/ attachments"
Exhibit attached to the Subordination and Ratification of Oil &
Gas Lease executed Metropolitan Life Insurance Company.

ADDENDUM

Attached to and made a part of that certain oil and gas lease dated effective May 3, 1993, by and between Daniel H. Russell and Roberta A. Russell, husband and wife, Lessors, and FORELAND CORPORATION, Lessee.

1. This lease is expressly limited to oil, gas, and hydrocarbons substances.
2. FORELAND CORPORATION agrees to conduct their operations upon the leased premises in such a manner as to cause the least possible damage to property and livestock with particular care to damage resulting from fire. FORELAND CORPORATION shall restore any damaged land or property occurring from its operation as nearly as is reasonably possible.
3. FORELAND CORPORATION agrees to indemnify and hold harmless Lessors from and against any and all claims, suits, damages, costs, losses, liability and expenses arising or growing out of injuries to or death of persons or loss of or damage to property or loss or pollution of water or water zones in any manner directly or indirectly resulting from or caused by operations under this lease.
4. FORELAND CORPORATION shall promptly repair all damage to fences, gates and cattle guards on the leased premises and in the grazing areas utilized by the Lessor arising out of use of the leased premises under this lease or the actions or activities of FORELAND CORPORATION on the leased premises.
6. FORELAND CORPORATION understands that water rights are of paramount interest to the Lessor. Accordingly, FORELAND CORPORATION agrees that it shall not attempt to use, apply for or appropriate any waters or water rights which would conflict with the Lessor's water rights or in any way diminish their present water rights or reduce any ground water that may not or hereafter be available to them for development and appropriation for domestic, irrigation or stockwater use. FORELAND CORPORATION agrees that it shall not in any way pollute any ground or surface waters usable or being used by the Lessor or any other persons using the same water sources. FORELAND CORPORATION further agrees that no oil, gas, minerals, brine, fluid or surplus water be reinjected into a fresh water zone and if reinjected it shall be reinjected into the zone from which it came following which FORELAND CORPORATION shall cement off or otherwise seal off the zones to prevent their entry into ground or surface water sources which are usable for domestic, agricultural or stockwatering purposes. FORELAND CORPORATION agrees that it shall not, without prior approval of the Lessor, interfere with or damage the Lessor's ditches, wells, or irrigation systems and irrigation methods.

DATED _____
FORELAND CORPORATION, Lessee

DATED _____
Daniel H. Russell

by: _____
Title: _____

Roberta A. Russell

Page 3 of 4.

Metropolitan
Life Insurance
Representatives
Initials:

TH
DHR
Kak

EXHIBIT "A"

TOWNSHIP 16 NORTH, RANGE 53 EAST, M.D.B. & M., Eureka County, Nevada

Section 7: SENE
Section 8: E2, N4NW, S2NW, N2SW, SESE
Section 9: NENE, S2NE, N4NW, S2NW, S2
Section 10: N2, N2S2, SWSE, S2SW
Section 11: S2NE, NW, N2SW
Section 12: N2

TOWNSHIP 16 NORTH, RANGE 54 EAST, M.D.B. & M., Eureka County, Nevada

Section 6: S2SW
Section 7: LOTS 1, 2 (N2NW)

TOWNSHIP 23 NORTH, RANGE 52 EAST, M.D.B. & M., Eureka County, Nevada

SECTION 36: SWNE, SEHW

TOWNSHIP 24 NORTH, RANGE 52 EAST, M.D.B. & M., Eureka County, Nevada

Section 12: E2NE
Section 13: NE, SW, NWSE, S2SE
Section 23: E2E2, W2SE
Section 24: All
Section 25: N2, N2S2
Section 26: E2NE, W2NE, NWSE, E2SE

TOWNSHIP 24 NORTH, RANGE 53 EAST, M.D.B. & M., Eureka County, Nevada

Section 17: SWSW
Section 18: Lots 3, 4, E2SW, W2SE, SESE
Section 19: Lots 1, 2, 3, 4, E2N2, W2E2
Section 29: NW, W2SE, N2SW, W2NE, SESE
Section 30: Lots 1, 2, E2NW, NE, N2SE
Section 32: N2NE

TOWNSHIP 25 NORTH, RANGE 53 EAST, M.D.B. & M., Eureka County, Nevada

Section 5: SESE

Containing a total of 6,525.45 acres more or less.

DATED _____
FORELAND CORPORATION, Lessee

DATED _____
Daniel H. Russell

by: _____
Title: _____

Roberta A. Russell

BOOK 248 PAGE 107
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Foreland Corporation
93 JUN 11 P1:11

EUREKA COUNTY, NEVADA
M.N. REGISTRATION RECORDER
FILE NO. 145671 FEE \$ 12.00

BOOK 248 PAGE 114

EXHIBIT A
"Unexecuted Oil & Gas Lease w/ attachments"
Exhibit attached to the Subordination and Ratification of Oil &
Gas Lease executed Metropolitan Life Insurance Company.

Page 4 of 4.

Metropolitan
Life Insurance
Representatives
Initials:

TEV PHR KAC