

169747

ASSIGNMENT OF OIL AND GAS LEASE

STATE OF NEVADA)
) ss,
COUNTY OF EUREKA)

KNOW ALL MEN BY THESE PRESENTS:

That Foreland Corporation, whose address is 12596 West Bayaud, Suite 300, Lakewood, Colorado 80228, hereinafter called "ASSIGNOR", for and in consideration of TEN DOLLARS (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, CONVEY, ASSIGN and TRANSFER unto True Oil Company, whose address is 895 West River Cross Road, Casper, Wyoming, 82602, hereafter called "ASSIGNEE", its successors and assigns, 25.00% of ASSIGNOR'S right, title and interest, subject to the overriding royalty reservation hereinafter set out, in and to the following Oil and Gas Lease, insofar as said lease covers the described lands:

LESSOR: Parker & Parsley Producing L.P.
LESSEE: Foreland Corporation
DATED: August 1, 1996
RECORDED: Book 303, Pages 242 through 251

DESCRIPTION: Township 28 North, Range 51 East MDM
Section 1: Lots 1, 2 & 5, 6, 7, SW/4NE/4, W/2SE/4

Township 28 North, Range 52 East, MDM
Section 5: Lots 1, 2, 3, 4, S/2N/2, S/2
Section 7: Lots 1, 2, 3, 4, E/2W/2, E/2

Township 29 North, Range 51 East, MDM
Section 25: E/2

Township 29 North, Range 52 East, MDM
Section 29: All
Section 31: Lots 1, 2, 3, 4, E/2W/2, E/2

All in Eureka County, Nevada
Containing 3,123.14 acres, more or less

ASSIGNOR expressly excepts, reserves and retains title to an undivided one percent (1%) of 8/8ths of all oil, gas and casinghead gas produced, saved and marketed from the above described lands under the provisions of the aforesaid lease, or extension or renewal thereof, as an overriding royalty, free and clear of any cost and expense of the development and operation thereof, excepting taxes applicable to said interest and the production therefrom. If the above referenced lease covers less than the full fee simple estate in the oil, gas and other hydrocarbons under any tract, or tracts of the land assigned hereby, the overriding royalty herein reserved by Assignor, shall be proportionately reduced

This Assignment is made and delivered pursuant to, and is subject to, the terms of, that certain unrecorded Participation Agreement dated July 23, 1996, by and between ASSIGNOR and ASSIGNEE.

TO HAVE AND TO HOLD the interest conveyed in the lease described above, subject to the conditions of said lease and any extensions, or renewals thereof, but ALL WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS, OR IMPLIED. This instrument shall be binding upon ASSIGNOR and ASSIGNEE, their successors and assigns.

Executed this 17 day of December 1997.

FORELAND CORPORATION

N. Thomas Steele
President and CEO

STATE OF COLORADO

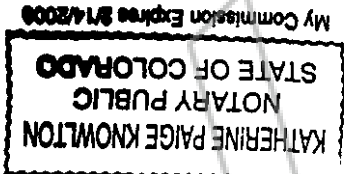
COUNTY OF JEFFERSON

)
) ss.
)

On this 17th day of December, 1997, before me, the undersigned Notary Public, personally appeared N. Thomas Steele, known to me to be the person whose name is subscribed to the within instrument as President of Foreland Corporation.

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

My Commission Expires: February 14, 2004



Katherine Paige Knowlton
Notary Public, State of Colorado

Katherine Paige Knowlton

BOOK 318 PAGE 72
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Full Oil Company
98 FEB 10 PM 1:15

EUREKA COUNTY NEVADA
M.N. REDEALATI, RECORDER
FILE NO.
FEES \$*8.00*

169747

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SEAL