

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

178420

FORM APPROVED
OMB NO. 1004-0034
Expires: December 31, 2001

ASSIGNMENT OF RECORD TITLE INTEREST IN A
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)
Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

Lease Serial No.
N-74759
Lease Effective Date
(Anniversary Date)
July 1, 2001
New Serial No.

Type or print plainly in ink and sign in ink.

PART A: ASSIGNMENT

1. Assignee* TRAIL MOUNTAIN, INC.
Street 105 Sch 4th Street
City, State, ZIP Code Artesia NM 88210

*If more than one assignee, check and list the name(s) and address(es) of all additional assignees on the reverse of this form or on a separate attached sheet of paper.

This record title assignment is for: (tick one) Oil and Gas Lease, or Geothermal Lease

Interest conveyed: (Check one or both appropriate) Record Title, Overriding Royalty, payment out of production or other similar interests or payments

2. This assignment conveys the following interest:

Land Description <small>Additional space on reverse, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall be referenced herein.</small>	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
TOWNSHIP 17 NORTH, RANGE 1 EAST, MD (Pro Dia 126) Section 13, All; Section 23, N2; Section 14, All; Section 23, S2; Section 15, All; Section 24, N2; Section 16, All; Section 24, S2. Section 17, All; Section 18, Lots 1-4, E2:2W2; Section 19, Lots 1-4, E2:2W2; Section 20, All; Section 21, All; Section 22, N2, SW; Section 22, SE; containing 7,611.34 acre more or less, Eureka and White Pine Coty, Nevada	100.00	50.00	50.00	2.50	-0-

FOR BLM USE ONLY—DO NOT WRITE BELOW THIS LINE

UNITED STATES OF AMERICA

This assignment is approved solely for administrative purposes. Approval does not warrant that either party to this assignment holds legal or equitable title to this lease.

Assignment approved for above described lands;

Assignment approved for attached land description

Assignment approved effective _____

Assignment approved for land description indicated on reverse of this form.

BOOK 348 PAGE 428

By _____

(Authorized Signatory)

Part A (Continued): ADDITIONAL SPACE forms and addresses of additional assignees in Item No. 1, if needed, or for Land Description in Item No. 2, if needed.

PART CERTIFICATION AND REQUEST FOR APPROVAL

1. The Assignor certifies as owner of an interest in the above designated lease that he/she hereby assigns to the above assignee(s) the rights specified above.
2. Assignee certifies as follows: (a) Assignee citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the assignment of NPR-A leases, assignee is a citizen, national, or resident alien of the United States or association of such citizens, national, resident aliens or private, public or municipal corporations; (b) Assignee is not considered a minor under the laws of the State in which the lands covered by this assignment are located; (c) Assignee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 50 acres in any one State if this is a geothermal lease; (d) All parties holding an interest in the assignment are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Assignee is in compliance with reclamation requirements for all Federal oil and gas leaseholdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Assignee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Assignee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein.

For geothermal assignments, an overriding royalty not be less than one-fourth (1/4) of one percent of the value of output, nor greater than 50 percent of the rate of royalty due to the United States when this assignee is added to all previously created overriding royalties (43 CFR 3241).

I certify that the statements made herein by me are, complete, and correct to the best of my knowledge and belief and are made in good faith.

Executed this 28th day of JULY, 2002

Executed this 18th day of July, 2002

Name of Assignor as shown on current lease ME SENICH

TRAIL MOUNTAIN, INC.

Assignor *Mike Senich* (Signature)
or
Attorney-in-fact _____ (Signature)

Assignee _____ (Signature)
or
Attorney-in-fact *Randy Patterson* (Signature)

4906 King Richards Row
(Assignor's Address)

Randy G. Patterson, Attorney-in-Fact

Midland Texas 79707
(City) (State) (Zip Code)

Public reporting burden for this form is estimated average 30 minutes per response including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct communication regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0034), Bureau Clearance Office (O-630), Mail Stop 401 LS, 1849 C Street, N.W., Washington, D.C. 20240.

Title 18 U.S.C. Sec. 1001 makes it a crime for any person knowingly and willfully to make to any Department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within jurisdiction.

STATE OF NEW MEXICO }

COUNTY OF EDD }

BEFORE ME the undersigned authority, on this day personally appeared RANDY G. PATTON, Attorney-in-Fact for TRAIL MOUNTAIN, INC., a New Mexico Corporation, behalf of said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 18th day of July 2002.



Paula J. Baker
NOTARY PUBLIC in and for the STATE OF NEW MEXICO

STATE OF TEXAS }

COUNTY OF MIDLAND }

BEFORE ME the undersigned authority, on this day personally appeared MIKE SENICH, known to me to be the identical person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 28 DAY OF July, 2002.



Jan Russell
NOTARY PUBLIC in and for the STATE OF TEXAS

notary/senich.trailmountain.com

BOOK 348 PAGE 428
OFFICIAL RECORDS
RECORDED AT THE REQUEST OF
Clayton Williams Energy
02 AUG -5 PM 3:05

LURENA COUNTY NEVADA
M.H. REBALEATI, RECORDER
FILE NO. FEES 76.00

178420

BOOK 348 PAGE 430