

OVERRIDING ROYALTY ASSIGNMENT

This assignment made and entered into this 5<sup>th</sup> day of August, 2002, by and between Yates Petroleum Corporation, 5 South Fourth Street, Artesia, NM 88210, herein referred to as assignor, (whether one or more); Unionville Royalty Co., LLC, P.O. Box 3153, Reno, NV 89505, hereinafter referred to as assignee, (whether one or more),

WITNESSETH

The undersigned assignor for and in consideration of the sum of \$10.00 and other good and valuable considerations assignor in hand paid by said assignee, the receipt whereof is hereby confessed and acknowledged, do hereby sell, assign, transfer, set over and convey unto said assignee, heirs personal representatives (its successors) and assigns, an overriding royalty equal to an undivided 2% of 8/8ths (two percent of eight eighths) of the market value at the wells as produced of all of the oil and gas and other hydrocarbon substances which may be produced, saved and marketed from the following described lands situated in the County of Eureka, State of Nevada to-wit:

Township 27 North, Range 52 East, MDB&M  
Section 18: Lots 1, 2, E2NW (NW4)

under the terms of that certain oil and gas lease made and entered into by and between Milton Bors and Anna M. Bors, husband and wife, as lessor, and Yates Petroleum Corporation, as lessee, dated effective October 28, 2002, record Book 348, page 391 in the Eureka County records, or any extension or renewal thereof; said overriding royalty shall be computed and paid at the same time and in the same manner as royalties payable to the lessor under the terms of said lease are computed and paid; and assignee shall be responsible for assignee's proportionate part of all taxes and assessments levied upon or against or measured by production of oil and gas from said land.

TO HAVE AND TO HOLD said royalty interest unto assignee, heirs, personal representatives (or its successor) and assigns forever. This assignment is made without warranty, either express or implied.

IN WITNESS WHEREOF this assignment is executed on the day and year first hereinabove written.

YATES PETROLEUM CORPORATION

By: *Peyton Yates*  
Peyton Yates, Attorney-in-Fact

STATE OF NEW MEXICO     )  
  ) ss.  
COUNTY OF EDDY         )

On this 8th day of August, 2002, before me personally appeared Peyton Yates, Attorney-in-Fact for Yates Petroleum Corporation, a New Mexico corporation, to me known to be the person described in and who executed instrument, and acknowledged that he executed the same on behalf of said corporation.

Witness my hand and seal the day and year last above written.

My commission expires  
8/12/05

*Paula G. Baker*  
Notary Public

BOOK 349 PAGE 42  
OFFICIAL RECORDS  
RECORDED AT THE REQUEST OF  
*Yates Petroleum*  
02 AUG 13 AM 10:24

EUREKA COUNTY NEVADA  
M.N. REBALEATI, RECORDER  
FILE NO. FEES 14.00