

BOOK 434 PAGE 398-429
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EUREKA COUNTY, NEVADA
M.N. REBALEATI, RECORDER
FILE NO. FEES 45.00

204473

APN#

Oil & Gas Property

11 digit number may be obtained at:
<http://sandgate.co.clark.nv.us/cicsAssessor/owner.htm>

Deed of Trust

Type of Document

(Example: Declaration of Homestead, Quit Claim Deed, etc.)

RECORDED WITHOUT LIABILITY
ACCOMMODATION ONLY

Recording requested by:

Winston & Strawn

Return to:

Name

Winston & Strawn

Address

101 California Street #3900

City/State/Zip

San Francisco, CA 94111

Att: John D. Fulekas

This page added to provide additional information required by NRS 111.312 Sections 1-2
(An additional recording fee of \$1.00 will apply.)

This cover page must be typed or printed clearly in black ink only.

CS12/03

Assessor's Parcel No.

Recording Requested By and
When Recorded Return To:

Winston & Strawn LLP
Attn: John D. Fredericks
101 California Street, Suite 3900
San Francisco, California 94111

**DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT,
FIXTURE FILING AND ASSIGNMENT OF PRODUCTION**

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY AND FUTURE ADVANCE PROVISIONS.

THIS INSTRUMENT COVERS THE INTEREST OF GRANTOR IN MINERALS OR THE LIKE (INCLUDING OIL AND GAS) BEFORE EXTRACTION AND THE SECURITY INTEREST CREATED BY THIS INSTRUMENT ATTACHES TO SUCH MINERALS AS EXTRACTED AND TO THE ACCOUNTS RESULTING FROM THE SALE THEREOF AT THE WELLHEAD. THIS INSTRUMENT COVERS THE INTEREST OF GRANTOR IN FIXTURES. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS. PRODUCTS AND PROCEEDS OF THE COLLATERAL ARE ALSO COVERED.

A POWER OF SALE HAS BEEN GRANTED IN THIS DEED OF TRUST. A POWER OF SALE MAY ALLOW THE TRUSTEE OR MORTGAGEE TO TAKE THE COLLATERAL AND SELL IT WITHOUT GOING TO COURT IN A FORECLOSURE ACTION UPON DEFAULT BY MORTGAGOR UNDER THIS DEED OF TRUST

FROM

ENERGY OPERATIONS NEVADA, LP
(Debtor and Grantor)

TO

FIRST AMERICAN TITLE COMPANY OF NEVADA, Trustee for the benefit of

TRIPLEPOINT CAPITAL LLC,
(Secured Party and Beneficiary)

April 12, 2006

For purposes of filing this Deed of Trust as a financing statement, the mailing address of Debtor is 5050 Quorum Drive, Suite 330 Dallas, Texas 75254-7039 the state of its organization is Delaware, and its organizational number is 3773107; the mailing address of Secured Party is 2420 Sand Hill Rd., Ste. 101, Menlo Park, CA 94025.

COPY

**DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT,
FIXTURE FILING AND ASSIGNMENT OF PRODUCTION**

This instrument (the "Deed of Trust") dated effective as of the 12th day of April, 2006, is executed and delivered by Energy Operations Nevada, LP ("Grantor"), to First American Title Company of Nevada as Trustee, for the benefit of TriplePoint Capital LLC (the "Beneficiary"). The addresses of Grantor, Beneficiary and the Trustee appear in Section 7.13 of this Deed of Trust.

RECITALS

A. Grantor, together with certain affiliated parties, (together with Grantor, the "Affiliated Borrowers"), entered into a Loan Agreement (the "Loan Agreement") dated March 14, 2006, pursuant to which Beneficiary has made certain loans and other financial accommodations available to the Affiliated Borrowers.

B. To secure payment and performance of the Affiliated Borrowers' obligations under the Loan Documents, Beneficiary has conditioned its obligations under the Loan Agreement, the Master Lease Agreement and the other Loan Documents (among other things), upon the execution and delivery by Grantor of this Deed of Trust.

NOW, THEREFORE, Grantor (a) wishes to make this Deed of Trust in favor of the Trustee for the benefit of Beneficiary to secure its obligations under the Loan Agreement and the and to secure the Affiliated Borrowers' obligations under any other Loan Documents (as defined in the Loan Agreement) and (b) hereby agrees as follows:

ARTICLE I

Definitions

1.1 "*Collateral*" means the Realty Collateral, Personalty Collateral and Fixture Collateral.

1.2 "*Contracts*" means all contracts, agreements, operating agreements, farm-out or farm-in agreements, sharing agreements, mineral purchase agreements, contracts for the purchase, exchange, transportation, processing or sale of Hydrocarbons, rights-of-way, easements, surface leases, equipment leases, permits, franchises, licenses, pooling or unitization agreements, and unit or pooling designations and orders now or hereafter affecting any of the Oil and Gas Properties, Operating Equipment, Fixture Operating Equipment, or Hydrocarbons now or hereafter covered hereby, or which are useful or appropriate in drilling for, producing, treating, handling, storing, transporting or marketing oil, gas or other minerals produced from any of the Oil and Gas Properties, and all as such contracts and agreements as they may be amended, restated, modified, substituted or supplemented from time-to-time.

1.3 "*Event of Default*" shall have the meaning set forth in Article V hereof.

1.4 "*Default Rate*" means the rate of interest applicable to the Notes following an Event of Default.

1.5 "*Fixture Collateral*" means all of Grantor's interest now owned or hereafter acquired in and to all Fixture Operating Equipment and all proceeds, products, renewals, increases, profits, substitutions, replacements, additions, amendments and accessions thereof, thereto or therefor.

1.6 "*Fixture Operating Equipment*" means any of the items described in the first sentence of Section 1.10 which as a result of being incorporated into realty or structures or improvements located therein or thereon, with the intent that they remain there permanently, constitute fixtures under the laws of the state in which such equipment is located.

1.7 "*Governmental Authority*" means any domestic or foreign, federal, state, provincial, local municipal or other governmental judicial, legislative, executive or regulatory department, city commission, administration, board, bureau, agency or instrumentality, including any tribunal or arbitrator and any self regulatory organization.

1.8 "*Hydrocarbons*" means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, including sulfur, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

1.9 "*Notes*" means the "Promissory Notes" as that term is defined in the Loan Agreement.

1.10 "*Obligations*" means

(a) The "Secured Obligations", as that term is defined in the Loan Agreement, including all indebtedness evidenced by the Notes;

(b) All sums advanced or costs or expenses incurred by Beneficiary (whether by it directly or on its behalf by the Trustee), which are made or incurred pursuant to, or allowed by, the terms of this Deed of Trust plus interest thereon from the date of the advance or incurrence until reimbursement of Beneficiary charged at the Default Rate;

(c) All future advances or other value, of whatever class or for whatever purpose, at any time hereafter made or given by Beneficiary to Grantor under or pursuant to any Loan Document or any other agreement, document, or instrument, whether or not the advances or value are given pursuant to a commitment, whether or not the advances or value are presently contemplated by the parties hereto, and whether or not Grantor is indebted to Beneficiary or any Lender at the time of such events; and

(d) All renewals, extensions, modifications, amendments, rearrangements and substitutions of all or any part of the above whether or not Grantor executes any agreement or instrument.

1.11 "*Oil and Gas Property*" or "*Oil and Gas Properties*" means (a) the oil and gas and/or oil, gas and mineral leases and leasehold interests, fee mineral interests, term mineral interests, subleases, farmouts, royalties, overriding royalties, net profits interests, production payments and similar interests or estates of Grantor, including the Properties set forth and described in Exhibit A attached hereto ("Exhibit A") and made a part hereof for all purposes including the net revenue interests warranted in on Exhibit A and any reversionary or carried interests relating to any of the foregoing, (b) all production units, and drilling and spacing units (and the Properties covered thereby) which may affect all or any portion of such interests including those units which may be described or referred to on Exhibit A and any units created by agreement or designation or under orders, regulations, rules or other official acts of any Federal, state or other governmental body or agency having jurisdiction, (c) the surface leases described in Exhibit A and made part hereof for all purposes, (d) any and all non-consent interests owned or held by, or otherwise benefiting, Grantor and arising out of, or pursuant to, any of the Contracts, (e) any other interest in, to or relating to (i) all or any part of the land described in Exhibit A, the land relating to, or described in, the leases set forth in Exhibit A or in the documents described in Exhibit A, or (ii) any of the estates, property rights or other interests referred to above, (f) any instrument executed in amendment, correction, modification, confirmation, renewal or extension of the same, (g) any and all rights, titles and interests of Grantor (which are similar in nature to any of the rights, titles and interests described in (a) through (f) above) which are located on or under or which concern any Property or Properties located in counties referenced in Exhibit A hereto or which is otherwise owned by Grantor or for which Grantor has any legal or equitable interest, or counties in which a counterpart of this Deed of Trust is filed of record in the real property records of such county, and (h) all tenements, hereditaments and appurtenances now existing or hereafter obtained in connection with any of the aforesaid, including any rights arising under unitization agreements, orders or other arrangements, communitization agreements, orders or other arrangements or pooling orders, agreements or other arrangements.

1.12 "*Operating Equipment*" means all surface or subsurface machinery, equipment, facilities, supplies or other Property of whatsoever kind or nature now or hereafter located on any of the Property affected by the Oil and Gas Properties which are useful for the production, treatment, storage or transportation of Hydrocarbons, including all oil wells, gas wells, water wells, injection wells, casing, tubing, rods, pumping units and engines, christmas trees, derricks, separators, gun barrels, flow lines, pipelines, tanks, gas systems (for gathering, treating and compression), water systems (for treating, disposal and injection), supplies, derricks, wells, power plants, poles, cables, wires, meters, processing plants, compressors, dehydration units, lines, transformers, starters and controllers, machine shops, tools, storage yards and equipment stored therein, buildings and camps, telegraph, telephone and other communication systems, roads, loading racks, shipping facilities and all additions, substitutes and replacements for, and accessories and attachments to, any of the foregoing. Operating Equipment shall not include any items incorporated into realty or structures or improvements located therein or thereon in such a manner that they no longer remain personalty under the laws of the state in which such equipment is located.

1.13 "*Permitted Encumbrances*" means with respect to Oil and Gas Properties,

(a) Liens securing the Obligations in favor of Mortgagee under the Loan Agreement;

(b) minor defects in title which do not secure the payment of money and otherwise have no material adverse effect on the value or operation of the subject property, and for the purposes of this Deed of Trust, a minor defect in title shall include easements, rights-of-way, servitudes, permits, surface leases and other similar rights in respect of surface operations, and easements for pipelines, streets, alleys, highways, telephone lines, power lines, railways and other easements and rights-of-way, on, over or in respect of any of the properties of Mortgagor (or its any of its Affiliated Borrowers, as applicable) that are customarily granted in the oil and gas industry.

(c) inchoate statutory or operators' liens securing obligations for labor, services, materials and supplies furnished to Oil and Gas Properties which are not delinquent;

(d) mechanic's, materialmen's, warehouseman's, journeyman's and carrier's liens and other similar liens arising by operation of Law or statute in the ordinary course of business which are not delinquent;

(e) production sales contracts, gas balancing agreements and operating agreements; provided, that the amount of all gas imbalances known to by Mortgagor and the amount of all production which has been paid for but not delivered shall have been disclosed or otherwise taken into account in the reports delivered to Mortgagee pursuant to the terms of the Loan Agreement;

(f) Liens for Taxes or assessments not yet due or not yet delinquent, or, if delinquent, that are being contested in good faith in the normal course of business by appropriate action;

(g) all rights to consent by, required notices to, filings with, or other actions by, Governmental Authorities in connection with the sale or conveyance of oil and gas leases or interests therein if Mortgagor or the applicable Subsidiary is entitled to such consent, the same are customarily obtained subsequent to such sale or conveyance and the appropriate Person is proceeding diligently to obtain such consent, notice or filing and has not been advised and has no reason to believe that such consent will not be forthcoming in a timely manner, provided that no such consent is required in connection with the granting of the lien in favor of Mortgagee under this Deed of Trust;

(h) lease burdens payable to third parties that are granted in the ordinary course of business in the oil and gas industry and that are deducted in the calculation of discounted present value in the reserve reports and are specified on Exhibit A and which have been given effect to in the computation of net revenue interest and working interest calculations set forth on Exhibit A, including, without limitation, any royalty, overriding royalty, carried interest or reversionary working interest and which have been disclosed to the Mortgagee in writing; and,

(i) all applicable Laws, rules and orders of Governmental Authorities having jurisdiction over the affairs of Mortgagor.

1.14 *"Personalty Collateral"* means all of Grantor's interest now owned or hereafter acquired in and to (a) all Operating Equipment, (b) all Hydrocarbons severed and extracted from or attributable to the Oil and Gas Properties, including oil in tanks, (c) all accounts (including accounts resulting from the sale of Hydrocarbons at the wellhead), contract rights and general intangibles, including all accounts, contract rights and general intangibles now or hereafter arising regardless of whether any of the foregoing is in connection with the sale or other disposition of any Hydrocarbons or otherwise, including all liens security the same, (d) all accounts, contract rights and general intangibles now or hereafter arising regardless of whether any of the foregoing is in connection with or resulting from any of the Contracts, including all liens security the same, (e) all proceeds and products of the Realty Collateral and any other contracts or agreements, (f) all information concerning the Oil and Gas Properties and all wells located thereon, including abstracts of title, title opinions, geological and geophysical information and logs, lease files, well files, and other books and records (including computerized records and data), (g) any deposit or time accounts with Beneficiary, including Grantor's operating bank account and all funds and investments therein, (h) any options to acquire any Realty Collateral, and (i) all proceeds, products, renewals, increases, profits, substitutions, replacements, additions, amendments and accessions of, to or for any of the foregoing.

1.15 *"Property"* means any property of any kind, whether real, personal, or mixed and whether tangible or intangible.

1.16 *"Realty Collateral"* means all of Grantor's interest now owned or hereafter acquired in and to the Oil and Gas Properties and all unsevered and unextracted Hydrocarbons (even though Grantor's interest therein be incorrectly described in, or a description of a part or all of such interest be omitted from, Exhibit A).

1.17 All other capitalized terms defined in the Loan Agreement which are used in this Deed of Trust and which are not otherwise defined herein shall have the meanings assigned to such terms in the Loan Agreement. All meanings to defined terms, unless otherwise indicated, are to be equally applicable to both the singular and plural forms of the terms defined. Article, Section, Schedule, and Exhibit references are to Articles and Sections of and Schedules and Exhibits to this Deed of Trust, unless otherwise specified. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time, unless otherwise specified. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Deed of Trust shall refer to this Deed of Trust as a whole and not to any particular provision of this Deed of Trust. As used herein, the term "including" means "including , without limitation".

ARTICLE II

Creation of Security

2.1 **Conveyance and Grant of Lien.** In consideration of the advance or extension by Beneficiary to the Borrower of the funds or credit constituting the Obligations (including the making of the Advances, and in further consideration of the mutual covenants contained herein, Grantor, by this Deed of Trust hereby GRANTS, BARGAINS, SELLS, TRANSFERS,

ASSIGNS AND CONVEYS WITH THE POWER OF SALE, for the uses, purposes and conditions hereinafter set forth all of its right, title and interest in and to the Realty Collateral, the Personalty Collateral and the Fixture Collateral unto Trustee, and to his successor or successors or substitutes in trust, with power of sale, in trust to secure the payment and performance of the Obligations for the benefit of Beneficiary.

To have and to hold the Realty Collateral, the Personalty Collateral and Fixture Collateral unto the Trustee and his successors or substitutes in trust and to his and their successors and assigns forever for the benefit of the Beneficiary, together with all and singular the rights, hereditaments and appurtenances thereto in anywise appertaining or belonging, to secure payment of the Obligations and the performance of the covenants of Grantor contained in this Deed of Trust. Grantor does hereby bind itself, its successors and permitted assigns, to warrant and forever defend all and singular the Realty Collateral, the Personalty Collateral and the Fixture Collateral unto the Trustee and his successors or substitutes in trust, and their successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Mortgagor, but not otherwise.

2.2 **Security Interest.** For the same consideration and to further secure the Obligations, Grantor hereby grants to Beneficiary a security interest in and to the Collateral.

2.3 **Future Advances.** This Deed of Trust is governed by Nevada Revised Statutes ("NRS") Sections 106.300 to 106.400 and secures future advances as provided in such Sections. The maximum amount of principal (as defined in NRS Section 106.345) secured hereby (including disbursements that the Beneficiary may, but shall not be obligated to, make under this Deed of Trust, the Loan Documents or any other document with respect thereto) shall not exceed Thirty Million Dollars (\$30,000,000). This Deed of Trust shall be valid and have priority as a lien on the Realty Collateral, to the extent of the maximum amount secured hereby, over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Realty Collateral given priority by law.

ARTICLE III

Proceeds from Production

3.1 **Assignment of Production.**

(a) In order to further secure the Obligations, Grantor has assigned, transferred, conveyed and delivered and does hereby assign, transfer, convey and deliver unto Beneficiary, effective as of the date hereof all Hydrocarbons produced from, and which are attributable to, Grantor's interest, now owned or hereafter acquired, in and to the Oil and Gas Properties, or are allocated thereto pursuant to pooling or unitization orders, agreements or designations, and all proceeds therefrom.

(b) Subject to the provisions of subsection (f) below, all parties producing, purchasing, taking, possessing, processing or receiving any production from the Oil and Gas Properties, or having in their possession any such production, or the proceeds therefrom, for which they or others are accountable to Beneficiary by virtue of the provisions of this Section

3.1, are authorized and directed by Grantor to treat and regard Beneficiary as the assignee and transferee of Grantor and entitled in its place and stead to receive such Hydrocarbons and the proceeds therefrom.

(c) Subject to the provisions of subsection (f) below, Grantor directs and instructs each of such parties to pay to Beneficiary, for its benefit, all of the proceeds of such Hydrocarbons until such time as such party has been furnished evidence that all of the Obligations have been paid and that the Lien evidenced hereby has been released; provided, however, that until Beneficiary shall have exercised the rights as herein to instruct such parties to deliver such Hydrocarbons and all proceeds therefrom directly to Beneficiary, such parties shall be entitled to deliver such Hydrocarbons and all proceeds therefrom to Grantor for Grantor's use and enjoyment, and Grantor shall be entitled to execute division orders, transfer orders and other instruments as may be required to direct all proceeds to Grantor without the necessity of joinder by Beneficiary in such division orders, transfer orders or other instruments. Grantor agrees to perform all such acts, and to execute all such further assignments, transfers and division orders, and other instruments as may be reasonably required or desired by Beneficiary or any party in order to have said revenues and proceeds so paid to Beneficiary. None of such parties shall have any responsibility for the application of any such proceeds received by Beneficiary. Subject to the provisions of subsection (f) below, Grantor authorizes Beneficiary to receive and collect all proceeds of such Hydrocarbons.

(d) Subject to the provisions of subsection (f) below, Grantor will execute and deliver to Beneficiary any instruments Beneficiary may from time to time reasonably request for the purpose of effectuating this assignment and the payment to Beneficiary of the proceeds assigned.

(e) Neither the foregoing assignment nor the exercise by Beneficiary of any of its rights herein shall be deemed to make Beneficiary a "Beneficiary-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof, unless and until Beneficiary, in person or by agent, assumes actual possession thereof, nor shall appointment of a receiver for the Oil and Gas Properties by any court at the request of Beneficiary or by agreement with Grantor or the entering into possession of the Oil and Gas Properties or any part thereof by such receiver be deemed to make Beneficiary a "Beneficiary-in-possession" or otherwise responsible or liable in any manner with respect to the Oil and Gas Properties or the use, occupancy, enjoyment or operation of all or any portion thereof.

(f) Notwithstanding anything to the contrary contained herein, so long as no Default or an Event of Default shall have occurred and is continuing, Grantor shall have the right to collect all revenues and proceeds attributable to the Hydrocarbons that accrue to the Oil and Gas Properties or the products obtained or processed therefrom, as well as any Liens and security interests securing any sales of said Hydrocarbons and to retain, use and enjoy same.

(g) Subject to the provisions of Subsection (f), Beneficiary (i) may endorse and cash any and all checks and drafts payable to the order of Grantor or Beneficiary for the account of Grantor, received from or in connection with the proceeds of the Hydrocarbons affected hereby, and the same may be applied as provided herein and (ii) Beneficiary may

execute any transfer or division orders in the name of Grantor or otherwise, with warranties and indemnities binding on Grantor; provided that Beneficiary shall not be held liable to Grantor for, nor be required to verify the accuracy of, Grantor's interests as represented therein.

(h) Beneficiary shall have the right at Beneficiary's election and in the name of Grantor, or otherwise, to prosecute and defend any and all actions or legal proceedings deemed advisable by Beneficiary in order to collect such proceeds and to protect the interests of Beneficiary or Grantor, with all costs, expenses and attorneys fees incurred in connection therewith being paid by Grantor. In addition, should any purchaser taking production from the Oil and Gas Properties fail to pay promptly to Beneficiary in accordance with this Article, Beneficiary shall have the right to demand a change of connection and to designate another purchaser with whom a new connection may be made without any liability on the part of Beneficiary in making such election, so long as ordinary care is used in the making thereof, and upon failure of Grantor to consent to such change of connection, the entire amount of all the Obligations may, at the option of Beneficiary, be immediately declared to be due and payable and subject to foreclosure hereunder.

(i) Without in any way limiting the effectiveness of the foregoing provisions, if Grantor receives any proceeds which under this Section 3.1 are payable to Beneficiary, Grantor shall hold the same in trust and remit such proceeds, or cause them to be remitted, immediately, to Beneficiary.

3.2 **Application of Proceeds.** All payments received by Beneficiary pursuant to this Article III attributable to the interest of Grantor in and to the Hydrocarbons shall be applied in accordance with the Loan Agreement.

3.3 **Grantor's Payment Duties.** Except as provided in Section 7.19 hereof, nothing contained herein will limit Grantor's absolute duty to make payment of the Obligations regardless of whether the proceeds assigned by this Article III are sufficient to pay the same, and the receipt by Beneficiary of proceeds from Hydrocarbons under this Deed of Trust will be in addition to all other security now or hereafter existing to secure payment of the Obligations.

3.4 **Liability of Beneficiary.** Beneficiary is hereby absolved from all liability for failure to enforce collection of any of such proceeds, and from all other responsibility in connection therewith except the responsibility to account to Grantor for proceeds actually received by Beneficiary.

3.5 **Actions to Effect Assignment.** Subject to the provisions of Section 3.1(f), Grantor covenants to cause all operators, pipeline companies, production purchasers and other remitters of said proceeds to pay promptly to Beneficiary the proceeds from such Hydrocarbons in accordance with the terms of this Deed of Trust, and to execute, acknowledge and deliver to said remitters such division orders, transfer orders, certificates and other documents as may be necessary, requested or proper to effect the intent of this assignment; and Beneficiary shall not be required at any time, as a condition to its right to obtain the proceeds of such Hydrocarbons, to warrant its title thereto or to make any guaranty whatsoever. In addition, upon the occurrence of an Event of Default, Grantor covenants to provide to Beneficiary the name and address of every such remitter of proceeds from such Hydrocarbons, together with a copy of the applicable

division orders, transfer orders, sales contracts and governing instruments. All expenses incurred by the Trustee or Beneficiary in the collection of said proceeds shall be repaid promptly by Grantor; and prior to such repayment, such expenses shall be a part of the Obligations secured hereby. If under any existing Contracts for the sale of Hydrocarbons, other than division orders or transfer orders, any proceeds of Hydrocarbons are required to be paid by the remitter direct to Grantor so that under such existing agreements payment cannot be made of such proceeds to Beneficiary in the absence of foreclosure, Grantor's interest in all proceeds of Hydrocarbons under such existing Contracts shall, when received by Grantor, constitute trust funds in Beneficiary's hands and shall be immediately paid over to Beneficiary.

3.6 Power of Attorney. Without limitation upon any of the foregoing, Grantor hereby designates and appoints Beneficiary as true and lawful agent and attorney-in-fact (with full power of substitution, either generally or for such periods or purposes as Beneficiary may from time to time prescribe), with full power and authority, for and on behalf of and in the name of Grantor, to execute, acknowledge and deliver all such division orders, transfer orders, certificates and other documents of every nature, with such provisions as may from time to time, in the opinion of Beneficiary, be necessary or proper to effect the intent and purpose of the assignment contained in this Article III; and Grantor shall be bound thereby as fully and effectively as if Grantor had personally executed, acknowledged and delivered any of the foregoing orders, certificates or documents. The powers and authorities herein conferred on Beneficiary may be exercised by Beneficiary through any person who, at the time of exercise, is the president, a senior vice president or a vice president of Beneficiary. **The power of attorney conferred by this Section 3.6 is granted for valuable consideration and coupled with an interest and is irrevocable so long as the Obligations, or any portion thereof, shall remain unpaid.** All persons dealing with Beneficiary, or any substitute, shall be fully protected in treating the powers and authorities conferred by this Section 3.6 as continuing in full force and effect until advised by Beneficiary that the Obligations are fully and finally paid. Notwithstanding the foregoing and anything to the contrary contained herein, so long as no Default or an Event of Default shall have occurred and is continuing, Beneficiary agrees not to exercise its right to use the power of attorney granted herein.

3.7 Indemnification. GRANTOR AGREES TO INDEMNIFY BENEFICIARY, THE TRUSTEE AND EACH OF THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM, AND DISCHARGE, RELEASE AND HOLD EACH OF THEM HARMLESS AGAINST ALL LOSSES, DAMAGES, CLAIMS, ACTIONS, LIABILITIES, JUDGMENTS, COSTS, ATTORNEYS FEES OR OTHER CHARGES OF WHATSOEVER KIND OR NATURE (HEREAFTER REFERRED TO AS "CLAIMS") MADE AGAINST, IMPOSED ON, INCURRED BY OR ASSERTED AGAINST ANY OF THEM IN ANY AS A CONSEQUENCE OF THE ASSERTION EITHER BEFORE OR AFTER THE PAYMENT IN FULL OF THE OBLIGATIONS THAT ANY OF THE INDEMNIFIED PARTIES RECEIVED HYDROCARBONS OR PROCEEDS PURSUANT TO THIS DEED OF TRUST OR PURSUANT TO ANY RIGHT TO COLLECT PROCEEDS DIRECTLY FROM ACCOUNT DEBTORS WHICH ARE CLAIMED BY THIRD PERSONS. THE INDEMNIFIED PARTIES WILL HAVE THE RIGHT TO EMPLOY ATTORNEYS AND

TO DEFEND AGAINST ANY SUCH CLAIMS AND UNLESS FURNISHED WITH REASONABLE INDEMNITY, THE INDEMNIFIED PARTIES WILL HAVE THE RIGHT TO PAY OR COMPROMISE AND ADJUST ALL SUCH CLAIMS. GRANTOR WILL INDEMNIFY AND PAY TO THE INDEMNIFIED PARTIES ALL SUCH AMOUNTS AS MAY BE PAID IN RESPECT THEREOF, OR AS MAY BE SUCCESSFULLY ADJUDICATED AGAINST ANY OF THE INDEMNIFIED PARTIES. THE INDEMNITY UNDER THIS SECTION SHALL APPLY TO CLAIMS ARISING OR INCURRED BY REASON OF THE PERSON BEING INDEMNIFIED'S OWN NEGLIGENCE BUT SHALL NOT APPLY TO CLAIMS ARISING OR INCURRED BY REASON OF THE PERSON BEING INDEMNIFIED'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE LIABILITIES OF GRANTOR AS SET FORTH IN THIS SECTION 3.7 SHALL SURVIVE THE TERMINATION OF THIS DEED OF TRUST.

ARTICLE IV

Grantor's Warranties and Covenants

4.1 **Payment of Obligations.** Grantor covenants that Grantor shall timely pay and perform the Obligations secured by this Deed of Trust.

4.2 **Representations and Warranties.** Grantor represents and warrants as follows:

(a) *Incorporation of Representations and Warranties from Loan Agreement.* The representations and warranties applicable to Grantor and its Properties contained in the Loan Agreement are hereby confirmed and restated, each such representation and warranty, together with all related definitions and ancillary provisions, being hereby incorporated into this Deed of Trust by reference as though specifically set forth in this Section.

(b) *Title to Collateral.* Subject to and except for Permitted Encumbrances, Grantor has good and marketable title to the Collateral free from all Liens, claims, security interests or other encumbrances except as permitted by the provisions of Section 4.4(i) below. The descriptions set forth in Exhibit A of the quantum and nature of the interests of Grantor in and to the Oil and Gas Properties include the entire interests of Grantor in the Oil and Gas Properties and are complete and accurate in all respects. There are no "back-in" or "reversionary" interests held by third parties which could reduce the interests of Grantor in the Oil and Gas Properties except as set forth on Exhibit A. No operating or other agreement to which Grantor is a party or by which Grantor is bound affecting any part of the Collateral requires Grantor to bear any of the costs relating to the Collateral greater than the leasehold interest of Grantor in such portion of the Collateral, except in the event Grantor is obligated under an operating agreement to assume a portion of a defaulting party's or non-consenting party's share of costs.

(c) *Status of Leases, Term Mineral Interests and Contracts.* All of the leases and term mineral interests in the Oil and Gas Properties are valid, subsisting and in full force and effect, and Grantor has no knowledge and has not received written notice that a default exists

under any of the terms or provisions, express or implied, of any of such leases or interests or under any agreement to which the same are subject. To Beneficiary's knowledge, all of the Contracts and obligations of Grantor that relate to the Oil and Gas Properties are in full force and effect and constitute legal, valid and binding obligations of Grantor. Grantor has not received a written notice of default with respect to the Contracts and obligations of Grantor that relate to Oil and Gas Properties that remains uncured. Neither Grantor nor, to the knowledge of Grantor, any other party to any leases or term mineral interests in the Oil and Gas Properties or any Contract (A) is in breach of or default, or with the lapse of time or the giving of notice, or both, would be in breach or default, with respect to any obligations thereunder, whether express or implied, or (B) has given or threatened to give notice of any default under or inquiry into any possible default under, or action to alter, terminate, rescind or procure a judicial reformation of, any lease in the Oil and Gas Properties or any Contract.

(d) *Production Burdens, Taxes, Expenses and Revenues.* All rentals, royalties, overriding royalties, shut-in royalties and other payments due under or with respect to the Oil and Gas Properties have been properly and timely paid. All taxes have been properly and timely paid except for taxes that are being contested in good faith by appropriate proceedings in the ordinary course of business. All expenses payable under the terms of the Contracts have been properly and timely paid except for such expenses being contested in good faith by appropriate proceedings, and for which reserves shall have been made therefore and except for such expenses as are being currently paid prior to delinquency in the ordinary course of business. Except for Grantor's interests in certain Oil and Gas Properties, which Grantor represents do not constitute a material portion (with 2% being deemed material) of the value of the Collateral and all other Properties of Grantor securing the Obligations, all of the proceeds from the sale of Hydrocarbons produced from the Realty Collateral are being properly and timely paid to Grantor by the purchasers or other remitters of production proceeds without suspense. Grantor's ownership of the Hydrocarbons and the undivided interests therein as specified on Exhibit A will, after giving full effect to all Liens permitted hereby and after giving full effect to the agreements or instruments set forth on Exhibit A and any other instruments or agreements affecting Grantor's ownership of the Hydrocarbons, afford Grantor not less than those net interests (expressed as a fraction, percentage or decimal) in the production from or which is allocated to such Hydrocarbons specified as net revenue interest on Exhibit A will cause Grantor to bear not more than that portion (expressed as a fraction, percentage or decimal), specified as working interest on Exhibit A, of the costs of drilling, developing and operating the wells identified on Exhibit A.

(e) *Pricing.* The prices being received for the production of Hydrocarbons do not violate any Contract or any law or regulation. Where applicable, all of the wells located on the Oil and Gas Properties and production of Hydrocarbons therefrom have been properly classified under appropriate governmental regulations.

(f) *Gas Regulatory Matters.* Grantor has filed with the appropriate state and federal agencies all necessary rate and collection filings and all necessary applications for well determinations under the Natural Gas Act of 1938, as amended, the Natural Gas Policy Act of 1978, as amended, and the rules and regulations of the Federal Energy Regulatory Commission (the "FERC") thereunder, and each such application has been approved by or is pending before the appropriate state or federal agency.

(g) *Production Balances.* Except as set forth below, none of the purchasers under any production sales contracts are entitled to "make-up" or otherwise receive deliveries of Hydrocarbons at any time after the date hereof without paying at such time the full contract price therefor. Except as set forth below, no person is entitled to receive any portion of the interest of Grantor in any Hydrocarbons or to receive cash or other payments to "balance" any disproportionate allocation of Hydrocarbons under any operating agreement, gas balancing and storage agreement, gas processing or dehydration agreement, or other similar agreements. Grantor believes that certain third parties may be entitled to receive "make-up" deliveries of Hydrocarbons or cash or other payments to "balance" a disproportionate allocation of Hydrocarbons produced from certain Oil and Gas Properties; provided, however, Grantor represents and warrants that such deliveries or payments are not material (with 2% being deemed material) in aggregate amount when compared to the value of the Collateral and all other Properties of Grantor securing the Obligations.

(h) *Drilling Obligations.* There are no obligations under any Oil and Gas Property or Contract which require the drilling of additional wells or operations to earn or to continue to hold any of the Oil and Gas Properties in force and effect.

(i) *Compliance With Laws.* To the extent that Beneficiary is the operator of the applicable well, and to Beneficiary's knowledge if Beneficiary is a non-operating working interest owner, all wells on or attributable to the Oil and Gas Properties have been drilled, completed and operated, and all production therefrom has been accounted for and paid to the persons entitled thereto, in compliance with all applicable federal, state and local laws and applicable rules and regulations of the federal, state and local regulatory authorities having jurisdiction thereof.

(j) *Regulatory Filings.* To the extent that Beneficiary is the operator of the applicable well, and to Beneficiary's knowledge if Beneficiary is a non-operating working interest owner, all necessary regulatory filings have been properly made in connection with the drilling, completion and operation of the wells on or attributable to the Oil and Gas Properties and all other operations related thereto.

(k) *Allowables.* To the extent that Beneficiary is the operator of the applicable well, and to Beneficiary's knowledge if Beneficiary is a non-operating working interest owner, all production and sales of Hydrocarbons produced or sold from the Oil and Gas Properties have been made in accordance with any applicable allowables (plus permitted tolerances) imposed by any Governmental Authorities.

(l) *Refund Obligations.* Grantor has not collected any proceeds from the sale of Hydrocarbons produced from the Oil and Gas Properties which are subject to any refund obligation.

(m) *Proceed Suspense.* All proceeds from the sale of Grantor's interest in the Hydrocarbons from the Oil and Gas Properties are being received by Grantor in a timely manner and are not held in suspense for any reason.

(n) *Grantor's Address.* The address of Grantor's place of business, residence, chief executive office and office where Grantor keeps its records concerning accounts, contract rights and general intangibles is as set forth in Section 7.13, and there has been no change in the location of Grantor's place of business, residence, chief executive office and office where it keeps such records and no change of Grantor's name during the four months immediately preceding the date of this Deed of Trust. Grantor hereby represents and warrants that its organizational number is 33773107 the state of its formation is Delaware and the correct spelling of Grantor is as set forth in its signature block below.

4.3 **Further Assurances.**

(a) Grantor covenants that Grantor shall execute and deliver such other and further instruments, and shall do such other and further acts as in the opinion of Beneficiary may be reasonably necessary or desirable to carry out more effectively the purposes of this Deed of Trust, including without limiting the generality of the foregoing, (i) prompt correction of any defect in the execution or acknowledgment of this Deed of Trust, any written instrument comprising part or all of the Obligations, or any other document used in connection herewith; (ii) prompt correction of any defect which may hereafter be discovered in the title to the Collateral; (iii) prompt execution and delivery of all division or transfer orders or other instruments which in Beneficiary's opinion are required to transfer to Beneficiary, for its benefit the assigned proceeds from the sale of Hydrocarbons from the Oil and Gas Properties; and (iv) subject to Beneficiary's contest rights contained in Section 17 of the Loan Agreement, prompt payment when due and owing of all taxes, assessments and governmental charges imposed on this Deed of Trust, upon the interest of Beneficiary or the Trustee or upon the income and profits from any of the above.

(b) Grantor covenants that Grantor shall maintain and preserve the Lien and security interest herein created so long as any of the Obligations remain unpaid.

(c) Grantor shall immediately notify Beneficiary of any discontinuance of or change in the address of Grantor's place of business, residence, chief executive office or office where it keeps records concerning accounts, contract rights and general intangibles.

(d) Except as otherwise provided in the Loan Agreement, Grantor shall not amend, supplement, modify or restate their articles or certificate of incorporation, bylaws, limited liability company agreements, or other equivalent organizational documents, or amend its name or change its jurisdiction of incorporation, organization or formation without prior written notice to, and prior consent of, the Beneficiary.

4.4 **Operation of Oil and Gas Properties.** As long as any of the Obligations remain unpaid or unsatisfied, and whether or not Grantor is the operator of the Oil and Gas Properties, and except as otherwise provided in the Loan Agreement, Grantor shall (at Grantor's own expense):

(a) not enter into any operating agreement, contract or agreement which materially adversely affects the Collateral;

(b) do all things necessary and within the reasonable control of Grantor to keep, or cause to be kept, in full force and effect the Oil and Gas Properties and Grantor's interests therein;

(c) neither abandon, forfeit, surrender, release, sell, assign, sublease, farmout or convey, nor agree to sell, assign, sublease, farmout or convey, nor mortgage or grant security interests in, nor otherwise dispose of or encumber any of the Collateral or any interest therein, except as permitted by the Loan Agreement or any other Loan Documents;

(d) cause the Collateral to be maintained, developed and protected against drainage and continuously operated for the production and marketing of Hydrocarbons in a good and workmanlike manner as a prudent operator would in accordance with (i) generally accepted practices, (ii) applicable oil and gas leases and Contracts, and (iii) all applicable Federal, state and local laws, rules and regulations;

(e) promptly pay or cause to be paid when due and owing (i) all rentals and royalties payable in respect of the Collateral; (ii) all expenses incurred in or arising from the operation or development of the Collateral; (iii) all taxes, assessments and governmental charges imposed upon the Collateral, upon the income and profits from any of the Collateral, or upon Beneficiary because of its interest therein; and (iv) all local, state and federal taxes, payments and contributions for which Grantor may be liable; and indemnify Beneficiary and Trustee from all liability in connection with any of the foregoing;

(f) promptly take all action necessary to enforce or secure the observance or performance of any term, covenant, agreement or condition to be observed or performed by third parties under any Contract, or any part thereof, or to exercise any of its rights, remedies, powers and privileges under any Contract, all in accordance with the respective terms thereof;

(g) cause the Operating Equipment and the Fixture Operating Equipment to be kept in good and effective operating condition, and cause to be made all repairs, renewals, replacements, additions and improvements thereof or thereto, necessary or appropriate in connection with the production of Hydrocarbons from the Oil and Gas Properties;

(h) permit and do all things necessary or proper to enable the Trustee and Beneficiary (through any of their respective agents and employees) to enter upon the Oil and Gas Properties for the purpose of investigating and inspecting the condition and operations of the Collateral in accordance with the terms of the Loan Agreement or any other Loan Documents;

(i) cause the Collateral to be kept free and clear of Liens, charges, security interests and encumbrances of every character other than (i) the Liens and security interests created and assigned by this Deed of Trust, (ii) the Permitted Liens and (iii) Permitted Encumbrances;

(j) carry and maintain the insurance required by the Loan Agreement;

(k) furnish to Beneficiary, upon request, copies of any Contracts; and

(l) promptly perform all covenants express or implied in any Contract.

4.5 **Recording.** Grantor shall promptly (at Grantor's own expense) record, register, deposit and file this Deed of Trust and every other instrument in addition or supplement hereto, including applicable financing statements, in such offices and places within the state where the Collateral is located and in the state where the Grantor is registered as a corporation and at such times and as often as may be necessary to preserve, protect and renew the Lien and security interest herein created on real or personal property as the case may be, and otherwise shall do and perform all matters or things necessary or expedient to be done or observed by reason of any Legal Requirement for the purpose of effectively creating, perfecting, maintaining and preserving the Lien and security interest created hereby in and on the Collateral.

4.6 **Records, Statements and Reports.** Grantor shall keep proper books of record and account in which complete and correct entries shall be made of Grantor's transactions in accordance with the method of accounting required in the Loan Agreement and shall furnish or cause to be furnished to Beneficiary the reports required to be delivered pursuant to the terms of the Loan Agreement.

4.7 **Insurance.** To the extent that insurance is carried by a third-party operator on behalf of Grantor, upon request by Beneficiary, Grantor shall obtain and provide Beneficiary with copies of certificates of insurance showing Grantor as a named insured. Grantor hereby assigns to Beneficiary for its benefit any and all monies that may become payable under any such policies of insurance by reason of damage, loss or destruction of any of the Collateral and Beneficiary may receive such monies and apply all or any part of the sums so collected, at its election, toward payment of the Obligations, whether or not such Obligations are then due and payable, in such manner as Beneficiary may elect. Any insurance proceeds received by Grantor and due to Beneficiary shall be held in trust for the benefit of Beneficiary, shall be segregated from other funds of Grantor and shall be forthwith paid over to Beneficiary.

ARTICLE V

Default

5.1 **Events of Default.**

(a) An Event of Default under the terms of the Loan Agreement shall constitute an "Event of Default" under this Deed of Trust.

(b) An Event of Default shall also be deemed to occur if Grantor or any other "borrower" (as that term is defined in NRS 106.310, as amended or recodified from time to time) who may send a notice pursuant to NRS 106.380(1), as amended or recodified from time to time, with respect to this Deed of Trust, (i) delivers, sends by mail or otherwise gives, or purports to deliver, send by mail or otherwise give to Beneficiary: (A) any notice of an election to terminate the operation of this Deed of Trust as security for any Secured Obligation, including, without limitation, any obligation to repay any "future advance" (as defined in NRS 106.320, as amended or recodified from time to time) of "principal" (as defined in NRS 106.345, as amended or recodified from time to time), or (B) any other notice pursuant to NRS 106.380(3), as amended or recodified from time to time, (ii) records a statement pursuant to NRS 106.380(3), as amended or recodified from time to time, or (iii) causes this Deed of Trust, any Obligation, or Beneficiary

to be subject to NRS 106.380(2), 106.380(3) or 106.400, as amended or recodified from time to time.

5.2 **Acceleration Upon Default.** Upon the occurrence and during the continuance of any Event of Default, Beneficiary may declare the entire unpaid principal of, and the interest accrued on, and all other amounts owed in connection with, the Obligations to be forthwith due and payable, whereupon the same shall become immediately due and payable without any protest, presentment, demand, notice of intent to accelerate, notice of acceleration or further notice of any kind, all of which are hereby expressly waived by Grantor. Whether or not Beneficiary elects to accelerate as herein provided, Beneficiary may simultaneously, or thereafter, without any further notice to Grantor, exercise any other right or remedy provided in this Deed of Trust or otherwise existing under the Loan Agreement or any other Loan Documents or any other agreement, document, or instrument evidencing obligations owing from the Grantor to Beneficiary.

ARTICLE VI

Beneficiary's Rights

6.1 **Rights to Realty Collateral Upon Default.**

(a) *Operation of Property by Beneficiary.* Upon the occurrence and during the continuance of an Event of Default, and in addition to all other rights of Beneficiary, Beneficiary shall have the following rights and powers (but no obligation):

(i) To enter upon and take possession of any of the Realty Collateral and exclude Grantor therefrom;

(ii) To hold, use, administer, manage and operate the Realty Collateral to the extent that Grantor could do so, and without any liability to Grantor in connection with such operations; and

(iii) To the extent that Grantor could do so, to collect, receive and receipt for all Hydrocarbons produced and sold from the Realty Collateral, to make repairs, to purchase machinery and equipment, to conduct workover operations, to drill additional wells, and to exercise every power, right and privilege of Grantor with respect to the Realty Collateral.

Beneficiary may designate any person, firm, corporation or other entity to act on its behalf in exercising the foregoing rights and powers. When and if the expenses of such operation and development (including costs of unsuccessful workover operations or additional wells) have been paid, and the Obligations have been paid, the Realty Collateral shall be returned to Grantor (providing there has been no foreclosure sale).

(b) *Judicial Proceedings.* Upon the occurrence and during the continuance of an Event of Default, the Trustee and/or Beneficiary, in lieu of or in addition to exercising the power of sale hereafter given, may proceed by a suit or suits, in equity or at law (i) for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, (ii) for the appointment of a receiver whether or not there is then

pending any foreclosure hereunder, (iii) for judicial foreclosure of this Deed of Trust, or (iv) for the enforcement of any other appropriate legal or equitable remedy.

(c) *Foreclosure by Private Power of Sale of Collateral.* Upon the occurrence and during the continuance of an Event of Default, the Trustee shall have the right and power to sell, as the Trustee may elect, all or a portion of the Collateral at one or more sales as an entirety or in parcels, in accordance with NRS Section 107,080 and other applicable state law. Grantor hereby designates as Grantor's address for the purpose of notice the address set out in Section 7.13; provided that Grantor may by 5 days written notice to Beneficiary designate a different address for notice purposes otherwise notice given in accordance with this Section 6.1(c) shall suffice. Any purchaser or purchasers will be provided with a quitclaim deed binding Grantor and Grantor's successors and assigns. Sale of a part of the Realty Collateral will not exhaust the power of sale, and sales may be made from time to time until all of the Realty Collateral is sold or all of the Obligations are paid in full.

(d) *Certain Aspects of Sale.* Beneficiary will have the right to become the purchaser at any foreclosure sale and to credit the then outstanding balance of the Obligations against the amount payable by Beneficiary as purchaser at such sale. Statements of fact or other recitals contained in any conveyance to any purchaser or purchasers at any sale made hereunder will conclusively establish the occurrence of an Event of Default, any acceleration of the maturity of the Obligations, the advertisement and conduct of such sale in the manner provided herein, the appointment of any successor-Trustee hereunder and the truth and accuracy of all other matters stated therein. Grantor does hereby ratify and confirm all legal acts that the Trustee may do in carrying out the Trustee's duties and obligations under this Deed of Trust, and Grantor hereby irrevocably appoints Beneficiary to be the attorney-in-fact of Grantor and in the name and on behalf of Grantor to execute and deliver any deeds, transfers, conveyances, assignments, assurances and notices which Grantor ought to execute and deliver and do and perform any and all such acts and things which Grantor ought to do and perform under the covenants herein contained and generally to use the name of Grantor in the exercise of all or any of the powers hereby conferred on Trustee. Upon any sale, whether under the power of sale hereby given or by virtue of judicial proceedings, it shall not be necessary for Trustee or any public officer acting under execution or by order of court, to have physically present or constructively in his possession any of the Collateral, and Grantor hereby agrees to deliver to the purchaser or purchasers at such sale on the date of sale the Collateral purchased by such purchasers at such sale and if it should be impossible or impracticable to make actual delivery of such Collateral, then the title and right of possession to such Collateral shall pass to the purchaser or purchasers at such sale as completely as if the same had been actually present and delivered.

(e) *Effect of Sale.* Any sale or sales of the Realty Collateral will operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of Grantor in and to the premises and the Realty Collateral sold, and will be a perpetual bar, both at law and in equity, against Grantor, Grantor's successors or assigns, and against any and all persons claiming or who shall thereafter claim all or any of the Realty Collateral sold by, through or under Grantor, or Grantor's successors or assigns. Nevertheless, if requested by the Trustee so to do, Grantor shall join in the execution and delivery of all proper conveyances, assignments and transfers of the Property so sold. The purchaser or purchasers at the foreclosure sale will receive

as incident to his, her, its or their own ownership, immediate possession of the Realty Collateral purchased and Grantor agrees that if Grantor retains possession of the Realty Collateral or any part thereof subsequent to such sale, Grantor will be considered a tenant at sufferance of the purchaser or purchasers and will be subject to eviction and removal by any lawful means, with or without judicial intervention, and all damages by reason thereof are hereby expressly waived by Grantor.

(f) *Application of Proceeds.* The proceeds of any sale of the Realty Collateral or any part thereof, whether under the power of sale herein granted and conferred or by virtue of judicial proceedings, shall either be, at the option of Beneficiary, applied at the time of receipt, or held by Beneficiary in a cash collateral account as additional Collateral, and in either case, applied in accordance with the Loan Agreement.

(g) *Grantor's Waiver of Appraisal and Marshalling.* Grantor agrees, to the full extent that Grantor may lawfully so agree, that Grantor will not at any time insist upon or plead or in any manner whatever claim the benefit of any appraisal, valuation, stay, extension or redemption law, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Deed of Trust, the absolute sale of the Collateral, including the Realty Collateral, or the possession thereof by any purchaser at any sale made pursuant to this Deed of Trust or pursuant to the decree of any court of competent jurisdiction; and Grantor, for Grantor and all who may claim through or under Grantor, hereby waives the benefit of all such laws and, to the extent that Grantor may lawfully do so under any applicable law, any and all rights to have the Collateral, including the Realty Collateral, marshaled upon any foreclosure of the Lien hereof or sold in inverse order of alienation. Grantor agrees that the Trustee may sell the Collateral, including the Realty Collateral, in part, in parcels or as an entirety as directed by Beneficiary.

6.2 Rights to Personalty Collateral Upon Default. Upon the occurrence and during the continuance of an Event of Default, Beneficiary or the Trustee may proceed against the Personalty Collateral in accordance with the rights and remedies granted herein with respect to the Realty Collateral, or will have all rights and remedies granted by the Uniform Commercial Code as in effect in the State of Nevada and this Deed of Trust. Beneficiary shall have the right to take possession of the Personalty Collateral, and for this purpose Beneficiary may enter upon any premises on which any or all of the Personalty Collateral is situated and, to the extent that Grantor could do so, take possession of and operate the Personalty Collateral or remove it therefrom. Beneficiary may require Grantor to assemble the Personalty Collateral and make it available to Beneficiary at a place to be designated by Beneficiary which is reasonably convenient to both parties. Unless the Personalty Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Beneficiary will send Grantor reasonable notice of the time and place of any public sale or of the time after which any private sale or other disposition of the Personalty Collateral is to be made. This requirement of sending reasonable notice will be met if such notice is mailed, postage prepaid, to Grantor at the address designated in Section 7.13 hereof (or such other address as has been designated as provided herein) at least ten days before the time of the sale or disposition. In addition to the expenses of retaking, holding, preparing for sale, selling and the like, Beneficiary will be entitled to recover attorney's fees and legal expenses as provided for in this Deed of Trust and in the writings evidencing the Obligations before applying the balance of the proceeds from the sale or

other disposition toward satisfaction of the Obligations. Grantor will remain liable for any deficiency remaining after the sale or other disposition.

6.3 **Rights to Fixture Collateral Upon Default.** Upon the occurrence and during the continuance of an Event of Default, Beneficiary may elect to treat the Fixture Collateral as either Realty Collateral or as Personalty Collateral (but not both) and proceed to exercise such rights as apply to the type of Collateral selected.

6.4 **Account Debtors.** Beneficiary may, in its discretion, after the occurrence and during the continuance of an Event of Default, notify any account debtor to make payments directly to Beneficiary and contact account debtors directly to verify information furnished by Grantor. Beneficiary shall not have any obligation to preserve any rights against prior parties.

6.5 **Costs and Expenses.** All sums advanced or costs or expenses incurred by Beneficiary (either by it directly or on its behalf by the Trustee or any receiver appointed hereunder) in protecting and enforcing its rights hereunder shall constitute a demand obligation owing by Grantor to Beneficiary as part of the Obligations. Grantor hereby agrees to repay such sums on demand plus interest thereon from the date of the advance or incurrence until reimbursement of Beneficiary at the Default Rate.

6.6 **Set-Off.** Upon the occurrence and during the continuance of any Event of Default, Beneficiary shall have the right to set-off any funds of Grantor in the possession of Beneficiary against any amounts then due by Grantor to Beneficiary pursuant to this Deed of Trust.

ARTICLE VII

Miscellaneous

7.1 **Successor Trustees.** The Trustee may resign in writing addressed to Beneficiary or be removed at any time with or without cause by an instrument in writing duly executed by Beneficiary and recorded in the official records of the County in which this Deed of Trust is recorded. In case of the death, resignation or removal of the Trustee, a successor Trustee may be appointed by Beneficiary by instrument in writing duly executed by Beneficiary and recorded in the official records of the County in which this Deed of Trust is recorded. The appointment and designation will vest in the named successor Trustee all the estate and title of the Trustee in all of the Collateral and all of the rights, powers, privileges, immunities and duties hereby conferred upon the Trustee. All references herein to the Trustee will be deemed to refer to any successor Trustee from time to time acting hereunder.

7.2 **Advances by Beneficiary or The Trustee.** Each and every covenant of Grantor herein contained shall be performed and kept by Grantor solely at Grantor's expense. If Grantor fails to perform or keep any of the covenants of whatsoever kind or nature contained in this Deed of Trust, Beneficiary (either by it directly or on its behalf by the Trustee or any receiver appointed hereunder) may, but will not be obligated to, make advances to perform the same on Grantor's behalf, and Grantor hereby agrees to repay such sums and any reasonable attorneys' fees incurred in connection therewith on demand plus interest thereon from the date of the

advance until reimbursement of Beneficiary at the Default Rate. In addition, Grantor hereby agrees to repay on demand any costs, expenses and reasonable attorney's fees incurred by Beneficiary or the Trustee which are to be obligations of Grantor pursuant to, or allowed by, the terms of this Deed of Trust, including such costs, expenses and reasonable attorney's fees incurred pursuant to Section 3.1(h), Section 6.5 or Section 7.3 hereof, plus interest thereon from the date of the advance by Beneficiary or the Trustee until reimbursement of Beneficiary or the Trustee, respectively. Such amounts will be in addition to any sum of money which may, pursuant to the terms and conditions of the written instruments comprising part of the Obligations, be due and owing. No such advance will be deemed to relieve Grantor from any default hereunder.

7.3 Defense of Claims. Grantor shall promptly notify Beneficiary in writing of the commencement of any legal proceedings affecting Grantor's title to the Collateral or Beneficiary's Lien or security interest in the Collateral, or any part thereof, and shall take such action, employing attorneys agreeable to Beneficiary, as may be necessary to preserve Grantor's, the Trustee's and Beneficiary's rights affected thereby. If Grantor fails or refuses to adequately or vigorously, in the sole judgment of Beneficiary, defend Grantor's, the Trustee's or Beneficiary's rights to the Collateral, the Trustee or Beneficiary may take such action on behalf of and in the name of Grantor and at Grantor's expense. Moreover, Beneficiary or the Trustee on behalf of Beneficiary, may take such independent action in connection therewith as they may in their discretion deem proper, including the right to employ independent counsel and to intervene in any suit affecting the Collateral. All costs, expenses and attorneys' fees incurred by Beneficiary or the Trustee pursuant to this Section 7.3 or in connection with the defense by Beneficiary of any claims, demands or litigation relating to Grantor, the Collateral or the transactions contemplated in this Deed of Trust shall be paid by Grantor as provided in Section 7.2 above.

7.4 Reconveyance. If all the Obligations are paid in full and the covenants herein contained are well and fully performed then Trustee shall, upon the request of Grantor and the payment by Grantor of all reasonable attorneys' fees and other expenses, deliver to Grantor a deed of full reconveyance, to the parties entitled thereto, of the estate granted to Trustee in this Deed of Trust.

7.5 Renewals, Amendments and Other Security. Without notice or consent of Grantor, renewals and extensions of the written instruments constituting part or all of the Obligations may be given at any time and amendments may be made to agreements relating to any part of such written instruments or the Collateral. Beneficiary may take or hold other security for the Obligations without notice to or consent of Grantor. The acceptance of this Deed of Trust by Beneficiary shall not waive or impair any other security Beneficiary may have or hereafter acquire to secure the payment of the Obligations nor shall the taking of any such additional security waive or impair the Lien and security interests herein granted. The Trustee or Beneficiary may resort first to such other security or any part thereof, or first to the security herein given or any part thereof, or from time to time to either or both, even to the partial or complete abandonment of either security, and such action will not be a waiver of any rights conferred by this Deed of Trust. This Deed of Trust may not be amended, waived or modified except in a written instrument executed by both Grantor and Beneficiary.

7.6 Security Agreement, Financing Statement and Fixture Filing. This Deed of Trust will be deemed to be and may be enforced from time to time as an assignment, chattel mortgage, contract, deed of trust, financing statement, real estate mortgage, or security agreement, and from time to time as any one or more thereof if appropriate under applicable state law. As a financing statement, this Deed of Trust is intended to cover all Personalty Collateral including Grantor's interest in all Hydrocarbons as and after they are extracted and all accounts arising from the sale thereof at the wellhead. **THIS DEED OF TRUST SHALL BE EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING WITH RESPECT TO FIXTURE COLLATERAL INCLUDED WITHIN THE COLLATERAL.** This Deed of Trust shall be filed in the real estate records or other appropriate records of the county or counties in the state in which any part of the Realty Collateral and Fixture Collateral is located and may also be filed in the Uniform Commercial Code records of the Secretary of State or other appropriate office of the state where the Grantor is registered as a corporation. At Beneficiary's request Grantor shall execute financing statements covering the Personalty Collateral, including all Hydrocarbons sold at the wellhead, and Fixture Collateral, which financing statements may be filed in the Uniform Commercial Code records of the Secretary of State or other appropriate office of the state in which any of the Collateral is located or where Grantor is registered as a corporation. Furthermore, Grantor hereby irrevocably authorizes Beneficiary and any affiliate, employee or agent thereof, at any time and from time to time, to file in any Uniform Commercial Code jurisdiction any financing statement or document and amendments thereto, without the signature of Grantor where permitted by law, in order to perfect or maintain the perfection of any security interest granted under this Deed of Trust. A photographic or other reproduction of this Deed of Trust shall be sufficient as a financing statement.

7.7 Unenforceable or Inapplicable Provisions. If any term, covenant, condition or provision hereof is invalid, illegal or unenforceable in any respect, the other provisions hereof will remain in full force and effect and will be liberally construed in favor of the Trustee and Beneficiary in order to carry out the provisions hereof.

7.8 Rights Cumulative. Each and every right, power and remedy herein given to the Trustee or Beneficiary will be cumulative and not exclusive, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Trustee, or Beneficiary, as the case may be, and the exercise, or the beginning of the exercise, of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power or remedy. No delay or omission by the Trustee or by Beneficiary in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing.

7.9 Waiver by Beneficiary. Any and all covenants in this Deed of Trust may from time to time by instrument in writing by Beneficiary be waived to such extent and in such manner as the Trustee or Beneficiary may desire, but no such waiver will ever affect or impair either the Trustee's or Beneficiary's rights hereunder, except to the extent specifically stated in such written instrument.

7.10 **Terms.** The term "Grantor" as used in this Deed of Trust will be construed as singular or plural to correspond with the number of persons executing this Deed of Trust as Grantor. If more than one person executes this Deed of Trust as Grantor, his, her, its, or their duties and liabilities under this Deed of Trust will be joint and several. The terms "Beneficiary", "Grantor", and "Trustee" as used in this Deed of Trust include the heirs, executors or administrators, successors, representatives, receiver, trustees and assigns of those parties. Unless the context otherwise requires, terms used in this Deed of Trust which are defined in the Uniform Commercial Code of Nevada are used with the meanings therein defined.

7.11 **Counterparts.** This Deed of Trust may be executed in any number of counterparts, each of which will for all purposes be deemed to be an original, and all of which are identical except that, to facilitate recordation, in any particular counties counterpart portions of Exhibit A hereto which describe Properties situated in counties other than the counties in which such counterpart is to be recorded may have been omitted.

7.12 **Governing Law.** This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Nevada.

7.13 **Notice.** All notices required or permitted to be given by Grantor, Beneficiary or the Trustee shall be made in the manner set forth in the Loan Agreement and shall be addressed as follows:

Grantor: Energy Operations Nevada, LP
100 Bayview Circle, Suite 315
Newport Beach, CA 92660-2983
Tel: (949) 655-2371
Fax: (949) 655-2375

With a copy to:

John H. Kenney Esq.
Latham & Watkins LLP
505 Montgomery Street, Suite 2000
San Francisco, CA 94111-2562
Facsimile: (415) 395-8095

Beneficiary: Triple Point Capital LLC
2420 Sand Hill Road, Suite 101
Menlo Park, CA 94025
Attention: Jim Labe
Facsimile: (650) 854-2092

With a copy to:

John D. Fredericks, Esq.
Winston & Strawn LLP
101 California Street, 39th Floor
San Francisco, CA 94111

Facsimile: (415) 591-1400

Trustee: First American Title Company of Nevada
180 Cassia Way, Suite 502
Henderson, NV 89014
Tel: (702)-568-7464

7.14 **Duties of Trustee.** It shall be no part of the duty of the Trustee to see to any recording, filing or registration of this Deed of Trust or any other instrument in addition or supplemental hereto, or to see to the payment of or be under any duty with respect to any tax or assessment or other governmental charge which may be levied or assessed on the Collateral, any part thereof, or against Grantor, or to see to the performance or observance by Grantor of any of the covenants and agreements contained herein. Trustee shall not be responsible for the execution, acknowledgment or validity of this Deed of Trust or of any instrument in addition or supplemental hereto or for the sufficiency of the security purported to be created hereby, and makes no representation in respect thereof or in respect of the rights of Beneficiary. Trustee shall have the right to seek the advice of counsel upon any matters arising hereunder and shall be fully protected in relying as to legal matters on the advice of counsel. Trustee shall not incur any personal liability hereunder except for his own willful misconduct; and the Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by him hereunder, believed by him in good faith to be genuine.

7.15 **Condemnation.** All awards and payments heretofore and hereafter made for the taking of or injury to the Collateral or any portion thereof whether such taking or injury be done under the power of eminent domain or otherwise, are hereby assigned, and shall be paid to Beneficiary. Beneficiary is hereby authorized to collect and receive the proceeds of such awards and payments and to give proper receipts and acquittances therefor. Grantor hereby agrees to make, execute and deliver, upon request, any and all assignments and other instruments sufficient for the purpose of confirming this assignment of the awards and payments to Beneficiary free and clear of any encumbrances of any kind or nature whatsoever. Any such award or payment may, at the option of Beneficiary, be retained and applied by Beneficiary after payment of attorneys' fees, costs and expenses incurred in connection with the collection of such award or payment toward payment of all or a portion of the Obligations, whether or not the Obligations are then due and payable, or be paid over wholly or in part to Grantor for the purpose of altering, restoring or rebuilding any part of the Collateral which may have been altered, damaged or destroyed as a result of any such taking, or other injury to the Collateral.

7.16 **Successors and Assigns.** This Deed of Trust is binding upon Grantor, Grantor's successors and assigns, and shall inure to the benefit of the Trustee, the Beneficiary, and each of their respective successors and assigns, with the prior consent of the Beneficiary, and the provisions hereof shall likewise be covenants running with the land.

7.17 **Article and Section Headings.** The article and section headings in this Deed of Trust are inserted for convenience of reference and shall not be considered a part of this Deed of Trust or used in its interpretation.

7.18 Usury Not Intended. It is the intent of Grantor and Beneficiary in the execution and performance of this Deed of Trust, the Loan Agreement and the other Loan Documents to contract in strict compliance with applicable usury laws governing the Obligations including such applicable usury laws of the State of Nevada and the United States of America as are from time-to-time in effect. In furtherance thereof, Beneficiary and Grantor stipulate and agree that none of the terms and provisions contained in this Deed of Trust, the Loan Agreement or the other Loan Documents shall ever be construed to create a contract to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the maximum non-usurious rate permitted by applicable law and that for purposes hereof "interest" shall include the aggregate of all charges which constitute interest under such laws that are contracted for, charged or received under this Deed of Trust, the Loan Agreement and the other Loan Documents; and in the event that, notwithstanding the foregoing, under any circumstances the aggregate amounts taken, reserved, charged, received or paid on the Obligations, include amounts which by applicable law are deemed interest which would exceed the maximum non-usurious rate permitted by applicable law, then such excess shall be deemed to be a mistake and Beneficiary shall credit the same on the principal of the Obligations (or if the Obligations shall have been paid in full, refund said excess to Grantor). In the event that the maturity of the Obligations is accelerated by reason of any election of Beneficiary resulting from any Event of Default, or in the event of any required or permitted prepayment, then such consideration that constitutes interest may never include more than the maximum non-usurious rate permitted by applicable law and excess interest, if any, provided for in this Deed of Trust, the Loan Agreement or other Loan Documents shall be canceled automatically as of the date of such acceleration and prepayment and, if theretofore paid, shall be credited on the Obligations or, if the Obligations shall have been paid in full, refunded to Grantor. In determining whether or not the interest paid or payable under any specific contingencies exceeds the maximum non-usurious rate permitted by applicable law, Grantor and Beneficiary shall to the maximum extent permitted under applicable law amortize, prorate, allocate and spread in equal part during the period of the full stated term of the Obligations, all amounts considered to be interest under applicable law of any kind contracted for, charged, received or reserved in connection with the Obligation.

7.19 Loan Agreement. To the fullest extent possible, the terms and provisions of the Loan Agreement shall be read together with the terms and provisions of this Deed of Trust so that the terms and provisions of this Deed of Trust do not conflict with the terms and provisions of the Loan Agreement; provided, however, notwithstanding the foregoing, in the event that any of the terms or provisions of this Deed of Trust conflict with any terms or provisions of the Loan Agreement, the terms or provisions of the Loan Agreement shall govern and control for all purposes; provided that the inclusion in this Deed of Trust of terms and provisions, supplemental rights or remedies in favor of the Beneficiary not addressed in the Loan Agreement shall not be deemed to be a conflict with the Loan Agreement and all such additional terms, provisions, supplemental rights or remedies contained herein shall be given full force and effect.

7.20 Entire Agreement. THIS WRITTEN DEED OF TRUST AND THE LOAN DOCUMENTS, AS DEFINED IN THIS AGREEMENT, REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

7.21 **Due Authorization.** Grantor hereby represents, warrants and covenants to Beneficiary and the Trustee that the obligations of Grantor under this Deed of Trust are the valid, binding and legally enforceable obligations of Grantor, that the execution, ensealing and delivery of this Deed of Trust by Grantor has been duly and validly authorized in all respects by Grantor, and that the persons who are executing and delivering this Deed of Trust on behalf of Grantor have full power, authority and legal right to so do, and to observe and perform all of the terms and conditions of this Deed of Trust on Grantor's part to be observed or performed.

7.22 **No Offsets, Etc.** Grantor hereby represents, warrants and covenants to Beneficiary and the Trustee that there are no offsets, counterclaims or defenses at law or in equity against this Deed of Trust.

7.23 **Bankruptcy Limitation.** Notwithstanding anything contained herein to the contrary, it is the intention of the Grantor and the Beneficiary that the amount of the Obligation secured by the Grantor's interests in any of its Property shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer and other similar law, rule or regulation of any Governmental Authority applicable to the Grantor. Accordingly, notwithstanding anything to the contrary contained in this Deed of Trust in any other agreement or instrument executed in connection with the payment of any of the Obligations, the amount of the Obligations secured by the Grantor's interests in any of its Property pursuant to this Deed of Trust shall be limited to an aggregate amount equal to the largest amount that would not render the Grantor's obligations hereunder or the liens and security interest granted to the Beneficiary hereunder subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provision of any other applicable law.

7.24 **Statutory Covenants.** Where not inconsistent with the above, the following covenants, Nos. 1; 2 (full replacement value); 3; 4 (Default Rate); 5; 6; 7 (a reasonable percentage); 8 and 9 of Nevada Revised Statutes Section 107.030 are hereby adopted and made a part of this Deed of Trust.

[Remainder of this page intentionally left blank.]

EXECUTED AND DELIVERED effective as of the date first written above.

GRANTOR:

ENERGY OPERATIONS NEVADA, LP

By: ENERGY RESOURCE PARTNERS I,
LLC, its general partner

By: 

Name: Erland Olson

Title: _____

THE STATE OF CALIFORNIA §

COUNTY OF Orange §

This instrument was acknowledged before me on this 12th day of April, 2006, by Erlend Olson, of Energy Resource Partners I, LLC, a Delaware limited liability company, as general partner of Energy Operations Nevada, LP, a Nevada limited partnership, on behalf of said general partner and said limited partnership.



Raquel Lachino
Notary Public in and for
the State of California

Exhibit "A"

Any reference in this Exhibit to wells or units is for warranty of interest, administrative convenience, and identification and shall not limit or restrict the right, title, interest, or properties covered by this Deed of Trust. All right, title, and interest of Grantor in the properties described herein are and shall be subject to this Deed of Trust, regardless of the presence of any units or wells not described herein.

Unless otherwise expressly provided, all recording references in this Exhibit are references to the Official Records of real property in the county or counties in which the Realty Collateral is located. Any references to "Lease no." are merely for internal reference purposes.

All of Grantor's interest in the following Property in Eureka County, Nevada (attached hereto):

[Remainder of page intentionally left blank.]

Nevada Land Leases

LEGAL DESCRIPTION

County/State	Lessee	Lessor	WI	Royalty	Legal/Location Description
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0150N R:0520E Sec. 10,11,14,15
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0150N R:0520E Sec. 17,18,19,20
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0160N R:0520E Sec. 001,002,011,012
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0160N R:0520E Sec. 003,004,009,010
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0160N R:0520E Sec. 013,014,023,024
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0160N R:0520E Sec. 015,016,021,022
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 001,002,011,012
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 003,004,009,010
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 013,014,023,024
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 015,016,021,022
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 025,026,035,036
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0170N R:0520E Sec. 027,028,033,034
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0150N R:0520E Sec. 004,009,016
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:0150N R:0520E Sec. 005,006,007,008
Eureka, NV	Energy Operations Nevada LP	BLM	100%	12.50%	T:15N R:52E Sec. 01,02,03, ALL

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