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Official Record

Recording requested By
DAVID G STOLFA, LAW OFFICE

Eureka County - NV
Mike Rebaleati - Recorder

Fee: \$43.00

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RPTT:

Recorded By: FES

Book- 0487 Page- 0257

APN _____

Recording Requested By:

Name David G. Stolfa 303-762-9991

Address 3300 So. Columbine Circle

City / State / Zip Englewood, CO 80113



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ASSIGNMENT OF OVERRIDING ROYALTY

(Print Name of Document on the Line Above)



I the undersigned hereby affirm that this document submitted for recording contain personal information (social security number, driver's license number or identification card number) of a person as required by a specific law, public program or grant that requires the inclusion of the personal information. The Nevada Revised Statute (NRS), public program or grant referenced is:

(Insert the NRS, public program or grant referenced in the line above)

Signature _____

Title _____

Print Name _____

ASSIGNMENT OF OVERRIDING ROYALTY

STATE OF NEVADA §
 §
COUNTY OF EUREKA §

THAT, **BLACKBURN OIL & GAS, LLC**, whose address is 717 Seventeenth Street, Suite 1400, Denver, CO 80202 (hereinafter referred to as "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) cash in hand and other valuable consideration, the receipt of which is hereby acknowledged, has granted, bargained, sold, conveyed and assigned and does by these presents grant, bargain, sell, convey and assign unto and in favor of **BLUEROCK ENERGY CAPITAL, LTD.**, a Texas limited liability company, whose address is 20445 State Highway 249, Suite 160, Houston, TX 77070 (hereinafter referred to as "Assignee"), subject to the terms and provisions hereinafter set forth, an overriding royalty of five percent of eight-eighths (5% of 8/8) of all the oil, gas and other minerals produced, saved and marketed from those certain Oil, Gas and Mineral Leases described in Exhibit "A", attached hereto and made a part hereof (hereinafter referred to as "Said Leases").

Except as provided herein to the contrary, the overriding royalty herein assigned shall be paid or delivered to Assignee in the same manner, by the same method, at the same time, and under the same conditions as is provided in Said Leases for the payment and delivery of royalty to the Lessors under the applicable lease.

The overriding royalty herein assigned shall be free and clear of all cost, risk and expense of production, operations, treating, dehydration, compressing, marketing, transporting and/or delivery of the oil, gas and other minerals produced from Said Leases, but shall bear its proportion of all severance, production, gathering or any other taxes (including without limitation the Nevada Net Proceeds of Minerals Tax and the Nevada Oil and Gas Conservation Fee) now or hereafter applicable thereto or affecting same, and shall be computed only after deducting its proportionate share of all minerals used for operations upon the lands covered by Said Leases, or upon any unit comprising all or any portion of same.



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In the event Said Leases, or any one of them, cover less than One Hundred Percent (100%) of the full and entire undivided interest in and to all the mineral rights relating thereto (whether or not Said Lease only purports to cover a lesser interest) then and in that event, the overriding royalty herein assigned, as to the lands in which Said Lease(s) do not cover such One Hundred Percent (100%) of the full and entire undivided interest, shall be reduced to the proportion thereof which the mineral interest covered by Said Lease(s) bears to such One Hundred Percent (100%) of the full and entire undivided interest.

In the event Assignor owns less than One Hundred Percent (100%) of the full and entire working interest in and to any one or all of Said Leases then and in that event, the overriding royalty herein assigned, shall be reduced to the proportion thereof which the interest in such Said Lease(s) owned by the Assignor bears to One Hundred Percent (100%).

Assignor hereby reserves the right, at its election, to pool and unitize Said Leases, or any of them, with each other or with other leases or lands, in the manner and with the same effect as authorized under the terms of Said Leases as now constituted or as hereafter amended or as may be hereafter authorized by the Lessor thereof. In the event of any such unitization (including without limitation the unitization effected by that certain Unit Development Agreement dated as of November 1, 2007, between Assignor and Eland Energy, Inc.), Assignee shall receive, from the production from the unit or units so pooled, only such proportion of such overriding royalty conveyed herein as the total amount of Assignee's acreage (mineral rights) so pooled in the particular unit or units involved bears to the total of the acreage (mineral rights) so pooled in such unit.

The overriding royalty interest hereby assigned shall apply to any new lease, renewal or extension of Said Leases that may be acquired by Assignor, its successors or assigns, within six (6) months after the expiration of said lease. For the purposes of this provision the word "extension" is defined as an amendment to any of Said Leases extending its term. The terms "new lease" or "renewal" are defined as a new lease acquired by Assignor covering all or any portion of the same mineral rights and interests now covered by any of Said Leases, provided that in the event that Assignor acquires less than the leasehold or working interest that Assignor now holds in Said Lease covering lands covered by such new lease, then the overriding royalty interests shall be proportionately reduced.

Assignor warrants title to the interests assigned herein, but only to the extent of claims arising by, through or under Assignor, but not otherwise, and Assignor warrants that the interests assigned are free and clear of all liens, claims, and/or encumbrances arising by, through or under Assignor, but not otherwise.

This assignment and its terms and provisions shall be binding upon the parties hereto, their respective heirs, successors and assigns forever.

IN WITNESS WHEREOF, this instrument is executed and delivered this 29th day of May, 2009, but effective as of May 1, 2009.

BLACKBURN OIL & GAS, LLC

By: _____

Michael D. O'Neal
President

THE STATE OF COLORADO

§

§

CITY AND COUNTY OF DENVER

§

This instrument was acknowledged before me on this 29th day of May, 2009, by **Michael D. O'Neal**, as President of **Blackburn Oil & Gas, LLC**, a Colorado limited liability company, on behalf of said limited liability company. Witness my hand and official seal.

JOHANNA PESSIRILO
STATE OF COLORADO
NOTARY PUBLIC

Johanna Pessirilo
Notary Public in and for
The State of Colorado

(SEAL)

My commission expires: 4-11, 2011



EXHIBIT "A"
Attached to Assignment of Overriding Royalty
From Blackburn Oil & Gas, LLC to
BlueRock Energy Capital, Ltd.

EUREKA COUNTY, NEVADA

Lessor: United States of America N-52055 (segregated from USA N-10613)
Lessee: Merle C. Chambers
Date: November 1, 1974
Description: T27N-R52E, MDM
Section 7: SE/4
Section 9: N/2 NW/4, SE/4 NW/4, W/2 SW/4
Section 22: W/2 SW/4

Lessor: United States of America N-11348
Lessee: Suzanne D. Bucy
Date: May 1, 1975
Recorded: Book 57, Page 256, Records of Eureka County, Nevada
Description: T27N-R52E, MDM
Section 7: NE/4
Section 8: W/2, SE/4, S/2NE/4

