

**DOC # 0213336**

06/11/2009

03:52 PM

**Official Record**

Recording requested By  
YATES PETROLEUM CORP

Eureka County - NV

Mike Rebaleati - Recorder

Fee: \$44.00

Page 1 of 6

RPTT:

Recorded By: LLH

Book- 0487 Page- 0284

APN# \_\_\_\_\_

Recording Requested by:

Name Yates Petroleum Corp

Address 105 S 4th St

City/State/Zip Artesia, NM 88210-2118



0213336

Assignment of Operating Rights

(Title of Document)

This page added to provide additional information required by NRS 111.312 Sections 1-2.  
(Additional recording fee applies)

This cover page must be typed or printed.

BUREAU OF LAND MANAGEMENT

TRANSFER OF OPERATING RIGHTS (SUBLEASE) IN A  
LEASE FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.)  
Act for Acquired Lands of 1947 (30 U.S.C. 351-359)  
Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025)

Department of the Interior Appropriations Act, Fiscal Year 1981 (42 U.S.C. 6508)

FORM APPROVED  
OMB NO. 1004-0034  
Expires: April 30, 2009  
Lease Serial No.

N-65585

Type or print plainly in ink and sign in ink.

PART A: TRANSFER

1. Transferee (Sublessee)\*  
Street  
City, State, ZIP Code

SEE ATTACHED ASSIGNEE LIST

1a. Transferor Herrin Exploration, LLC

\*If more than one transferee, check here ☒ and list the name(s) and address(es) of all additional transferees on page 2 of this form or on a separate attached sheet of paper.

This transfer is for: (Check one) ☒ Oil and Gas Lease, or ☐ Geothermal Lease

Interest conveyed: (Check one or both, as appropriate) ☐ Operating Rights (sublease) ☐ Overriding Royalty, payment out of production or other similar interests or payments

2. This transfer (sublease) conveys the following interest:

Land Description  Additional space on page 2, if needed. Do not submit documents or agreements other than this form; such documents or agreements shall only be referenced herein.	Percent of Interest			Percent of Overriding Royalty or Similar Interests	
	Owned	Conveyed	Retained	Reserved	Previously reserved or conveyed
	b	c	d	e	f
Township 27 North, Range 51 East Section 23: All Section 24: All Section 25: All Section 26: All Containing 2560.00 gross acres. more or less Eureka County, Nevada	12.50%	12.50%	0.00%	0.00%	Of Record

FOR BLM USE ONLY - DO NOT WRITE BELOW THIS LINE

THE UNITED STATES OF AMERICA

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

☐ Transfer approved effective

By

Bureau of Land Management (BLM)

(Title)

(Date)

(Continued on page 2)



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STATE OF MISSISSIPPI §  
COUNTY OF HINDS §  
COUNTY OF RANKIN §

The foregoing instrument was acknowledged before me this 22 day of June, 2009 by  
as Member for Herrin Exploration, a Mississippi Corporation, on behalf of said Corporation.

Notary Public



### PART B: CERTIFICATION AND REQUEST FOR APPROVAL

1. The transferor certifies as owner of an interest in the above designated lease that he/she hereby transfers to the above assignee(s) the rights specified above.
2. Transferee certifies as follows: (a) Transferee is a citizen of the United States; an association of such citizens; a municipality; or a corporation organized under the laws of the United States or of any State or territory thereof. For the transfer of NPR-A leases, transferee is a citizen, national, or resident alien of the United States or associations of such citizens, nationals, resident aliens or private, public or municipal corporations; (b) Transferee is not considered a minor under the laws of the State in which the lands covered by this transfer are located; (c) Transferee's chargeable interests, direct and indirect, in each public domain and acquired lands separately in the same State, do not exceed 246,080 acres in oil and gas leases (of which up to 200,000 acres may be in oil and gas options), or 300,000 acres in leases in each leasing District in Alaska of which up to 200,000 acres may be in options, if this is an oil and gas lease issued in accordance with the Mineral Leasing Act of 1920, or 51,200 acres in any one State if this is a geothermal lease; and (d) All parties holding an interest in the transfer are otherwise in compliance with the regulations (43 CFR Group 3100 or 3200) and the authorizing Acts; (e) Transferee is in compliance with reclamation requirements for all Federal oil and gas lease holdings as required by sec. 17(g) of the Mineral Leasing Act; and (f) Transferee is not in violation of sec. 41 of the Mineral Leasing Act.
3. Transferee's signature to this assignment constitutes acceptance of all applicable terms, conditions, stipulations and restrictions pertaining to the lease described herein. Applicable terms and conditions include, but are not limited to, an obligation to conduct all operations on the leasehold in accordance with the terms and conditions of the lease, to condition all wells for proper abandonment, to restore the leased lands upon completion of any operations as described in the lease, and to furnish and maintain such bond as may be required by the lessor pursuant to regulations 43 CFR 3104, 3134, or 3206.

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

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

Executed this 3rd day of June, 2009

Executed this \_\_\_\_\_ day of \_\_\_\_\_

but Effective April 10, 2008

Name of Transferor as shown on current lease HERIN EXPLORATION, L.L.C.

(Please type or print)

Transferor

or

Attorney-in-fact

[Signature]  
(Signature)

(Signature)

P.O. BOX 329

(Transferor's Address)

JACKSON

MS

39205-0329

(City)

(State)

(Zip Code)

Transferee

or

Attorney-in-fact

\_\_\_\_\_  
(Signature)

(Signature)

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

### BURDEN HOURS STATEMENT

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



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United States  
Department of the Interior  
Bureau of Land Management

TRANSFER OF OPERATING RIGHTS IN A LEASE  
FOR OIL AND GAS OR GEOTHERMAL RESOURCES

Eureka County, Nevada

LEASE SERIAL NO. N-65585

TRANSFEROR: HERRIN EXPLORATION, LLC

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PART A.1. ASSIGNMENT

<u>TRANSFeree*:</u>	<u>INTEREST CONVEYED</u>
Trail Mountain, Inc. 105 South Fourth Street Artesia, NM 88210	1.160265%
Yates Drilling Company 105 South Fourth Street Artesia, NM 88210	2.113245%
Abo Petroleum Corporation 105 South Fourth Street Artesia, NM 88210	2.113245%
Myco Industries, Inc. 105 South Fourth Street Artesia, NM 88210	2.113245%
Roy G. Barton, Jr. 1919 N. Turner Street Hobbs, New Mexico 88240	0.833333%
Winn Exploration Co., Inc. 800 N. Shoreline Blvd., 19 <sup>th</sup> Floor North Tower Corpus Christi, TX 78401-3700	4.166667%
<hr/>	
TOTAL:	12.500000%



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TRANSFEREES

Signature page to the Transfer of Operating Rights of Federal Lease No. N-65585 from Herrin Exploration, LLC., to Trail Mountain, Inc., Yates Drilling Company, Abo Petroleum Corporation, Myco Industries, Inc., Roy G. Barton, Jr. and Winn Exploration Co., Inc

Executed this 3<sup>rd</sup> day of June, 2008<sup>19</sup>

Trail Mountain, Inc.  
105 South Fourth Street  
Artesia, NM 88210

By: John A. Yates, Jr.  
John A. Yates, Jr., Attorney-in-Fact

Attest: \_\_\_\_\_

Yates Drilling Company  
105 South Fourth Street  
Artesia, NM 88210

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

Abo Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

By: John A. Yates, Jr.  
John A. Yates, Jr., Attorney-in-Fact

Myco Industries, Inc  
105 South Fourth Street  
Artesia, NM 88210

By: Sharon Snowden  
Sharon Snowden., Attorney-in-Fact

Roy G. Barton, Jr.  
1919 N. Turner Street  
Hobbs, New Mexico 88240

By: Representative

Attest: \_\_\_\_\_

Winn Exploration Co., Inc.  
800 N. Shoreline Blvd.,  
19<sup>th</sup> floor North Tower  
Corpus Christi, TX 78401-3700

By: Michael W. Calley  
Michael W. Calley  
Executive Vice President

Acknowledgment page to Transfer of Operating Rights of Federal Lease No. N-65585 from Herrin Exploration, LLC., to Trail Mountain, Inc., Yates Drilling Company, Abo Petroleum Corporation, Myco Industries, Inc., Roy G. Barton, Jr. and Winn Exploration Co., Inc.

ACKNOWLEDGMENT

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

The foregoing instrument was acknowledged before me this 3<sup>rd</sup> day of June, 2008, by John A. Yates, Jr., as Attorney-in-Fact of Trail Mountain, Inc.; Sharon Snowden, Attorney-in-Fact of Myco Industries, Inc.; by Peyton Yates, Attorney-in-Fact of Yates Drilling Company; John A. Yates, Jr., Attorney-in-Fact of Abo Petroleum Corporation, New Mexico corporations, on behalf of said corporations.



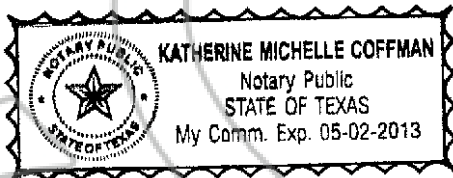
**OFFICIAL SEAL**  
**Melinda Natividad**  
**NOTARY PUBLIC-STATE OF NEW MEXICO**

My commission expires: 5-17-11

Melinda Natividad  
Notary Public

STATE OF TEXAS )  
 ) ss.  
COUNTY OF NUECES )

The foregoing instrument was acknowledged before me this 11<sup>th</sup> day of May, 2008, by Michael W. Calley as, Executive Vice President Winn Exploration Co., Inc., a Texas Corporation, on behalf of said Corporation.

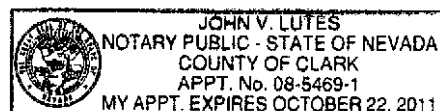


Katherine M. Coffman  
Notary Public

STATE OF NEVADA )  
 ) ss.  
COUNTY CLARK )

The foregoing instrument was acknowledged before me this 22 day of May, 2008, by Roy G. Barton Jr as, \_\_\_\_\_ for Roy G. Barton, Jr.

[Signature]  
Notary Public



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