

**DOC # 0218403**

08/11/2011

02:10 PM

**Official Record**

Recording requested By  
AREA PETROLEUM LLC

Eureka County - NV

**Mike Rebaleati - Recorder**

Fee: \$44.00

Page 1 of 6

RPTT:

Recorded By: FES

Book- 520 Page- 0128



0218403

**ASSIGNMENT OF OVERRIDING ROYALTY INTEREST**

Recording Requested by:

Area Petroleum, LLC  
6029 W. Sage Fork Rd.  
West Jordan, UT 84081

**ASSIGNMENT OF OVERRIDING ROYALTY INTEREST**

STATE OF NEVADA                    )  
  ) ss.  
COUNTY OF EUREKA                )

KNOWN ALL MEN BY THESE PRESENTS:

This Assignment of Overriding Royalty Interest ("Assignment") is made pursuant to that certain unrecorded Second Amendment Letter as part of that certain unrecorded South Sulphur Springs ("SSS") Purchase Letter Agreement (the "Agreement") dated January 31, 2009 between Phoenix Oil & Gas, LLC, a Utah limited liability company ("POG") and Chamberlain Exploration Development and Research Stratigraphic Corporation, a Nevada corporation d/b/a Cedar Strat ("Cedar Strat").

Subsequent to execution of the Agreement, POG assigned its interest in the Agreement to Area Petroleum, LLC a Utah limited liability company, the address of which is 5 Wanderwood Way, Sandy, Utah 84092 ("Area" or Assignee") and Cedar Strat assigned its rights to receive the overriding royalty interest in the Lands, as described herein, under the Agreement to Old Bandie, Corp. a Nevada Corporation, the address of which is 8883 W. Flamingo Rd. Suite 102 Las Vegas, Nevada 89147 ("Old Bandie" or Assignor). Assignee owns a working interest in certain oil, gas and mineral leases (the "Leases") covering lands in Eureka County, Nevada (the "Lands") and Assignor owns a royalty interest in the Leases as recorded January 24, 2011, Document # 0216668 in Eureka County, Nevada. The Leases and Lands are described on Exhibit "A" to this Assignment.

Pursuant to the Second Amendment Letter, Assignor hereby reassigns its entire overriding royalty interest in the Lands, as described herein, to Assignee as previously recorded in Document # 0216668. Additionally, Cedar Strat acknowledges and agrees that Assignor has the rights to reassign this royalty interest in the Lands, as described herein, under the Second Amendment.

In furtherance of the foregoing and pursuant to the terms of the Agreement, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Assignor hereby transfers, assigns and conveys to Assignee, an overriding royalty interest in all of the oil, gas, and other hydrocarbon substances produced, saved, and marketed from the Lands and Leases (the "Override"), as follows:

7.5% of 8/8ths Before Payout (BPO) of an individual well, on a well by well basis as defined in the Agreement.

10% of 8/8ths After Payout (APO) of an individual well, on a well by well basis as defined in the Agreement.

The Override hereby assigned to Assignee is subject to the following provisions:

1. The terms and provisions of the Leases, any amendments, corrections, additions, or modifications of the Leases made prior to or after the execution of this Assignment. Assignee agrees that future amendments, corrections, additions, or modifications of the Leases may be made without the consent or joinder of Assignee.

2. All applicable laws, rules, regulations and orders of appropriate governmental authorities and agencies having jurisdiction over the Lands and Leases.
3. In calculating payout, Assignor may deduct its expenses attributed to each individual well as follows: all costs, including, without limitation, all costs and expenses associated with drilling, capping, completion, access roads, operating, equipping (which shall include but not be limited to: batteries, tanks, separators, metering stations, over the well head equipment, compression etc.) single well pipelines to transport hydrocarbons to a trunk or gathering line, payments for any other overriding royalties and lessor royalties, taxes, deductions (including without limitation marketing, processing and transportation fees), any enrichment costs, any additional costs required to produce or enhance the well(s) and all other exploration and development funds (drilling to on-site tanks) associated with each well. As each well, on an individual well by well basis, achieves payout of its costs as set forth above, the Assignee's APO overriding royalty rate becomes effective on such well.
4. Assignee is responsible for its proportionate share of severance, production severance, ad valorem and other similar taxes. No payments to the Override will be made or shall accrue on any oil, gas and casinghead gas or other hydrocarbon substances or minerals used for operating, developing, or producing purposes on the Lands under the Leases, or in treating the products produced to make them marketable, or which are unavoidably lost. No payments shall be made to the Override on gas and casinghead gas used for recycling or repressuring operations that benefit the Leases.
5. All payments to the Override shall be made or delivered to Assignee in the same manner provided in the Leases for the payment of royalty to the lessors.
6. If (i) a Lease or Leases cover less than the entire mineral estate in the Lands, (ii) Assignor's working interest represents less than 100% of the leasehold estate in a part of all of the Lands, or (iii) for any reason title should fail as to all or part of the leasehold estate owned by Assignor, the Override assigned to Assignee shall be reduced proportionately as to the affected Lease and Lands.
7. In the event the primary term of any Lease is extended by the action of Assignor or Assignor's successors, assigns and/or legal representatives, then the Override shall remain a burden against the Leases as so extended.
8. By its written acknowledgement hereof, Cedar Strat hereby waives and disclaims any and all right, title or interest in and to any royalty interest in the Leases or the Lands, including without limitation, the Override conveyed by Assignor to Assignee hereunder or otherwise in connection with the terms of the Agreement or any amendment or modification thereof.

The terms and provisions of this Assignment shall be binding upon and shall inure to the benefit of Assignor, Assignee and Cedar Strat and to their respective successors and assigns.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Assignor has executed and delivered this overriding royalty assignment to Assignee, the day and year first above written.

ASSIGNOR:

OLD BANDIE CORP.

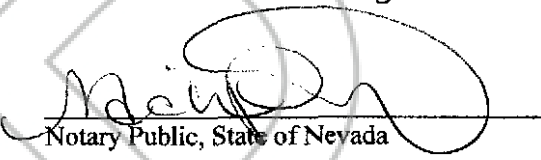
By: 

R. D. Fritzler, President

STATE OF NEVADA           )  
  ) ss  
COUNTY OF CLARK        )

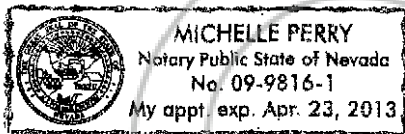
This instrument was acknowledged before me this 11<sup>th</sup> day of July, 2011 by R. D. Fritzler, as President for Old Bandie, Corp.

WITNESS my hand and official seal

  
Notary Public, State of Nevada

My commission expires: Apr. 23, 2013

(NOTARIAL SEAL)



ASSIGNEE:

AREA PETROLEUM, LLC

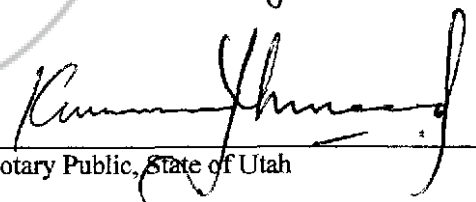
By: 

Jonathan Baker, Landman

STATE OF UTAH            )  
  ) ss  
COUNTY OF SALT LAKE    )

This instrument was acknowledged before me this 8<sup>th</sup> day of August, 2011 by Jonathan Baker, as Landman for Area Petroleum, LLC.

WITNESS my hand and official seal

  
Notary Public, State of Utah

My commission expires: Oct/21/2013

(NOTARIAL SEAL)

AGREED TO AND ACKNOWLEDGED:

**CHAMBERLAIN EXPLORATION  
DEVELOPMENT AND RESEARCH  
STRATIGRAPHIC CORPORATION**

By: [Signature]  
Alan K. Chamberlain, President

STATE OF NEVADA       )  
                                  ) ss  
COUNTY OF CLARK     )

This instrument was acknowledged before me this 14<sup>th</sup> day of July, 2011 by Alan K. Chamberlain, as President for Chamberlain Exploration Development and Research Stratigraphic Corporation.

WITNESS my hand and official seal

[Signature: Marisol Barron-Diaz]  
Notary Public, State of Nevada

My commission expires: Dec 22, 12

(NOTARIAL SEAL)



# Exhibit A

Attached to an Assignment of Overriding Royalty Interest between  
Old Bandie, Corp. and Area Petroleum, LLC

Lease Alpha	Lease Number	Lessee	Lease Date	TWP	RGE	MER	Description	Gross Acres
NVN	85929	Area Petroleum, LLC	1-Nov-08	23N	52E	MDM	26 PROT W2 27 PROT ALL 34 PROT ALL 35 PROT W2	1,937.00
NVN	85930	Area Petroleum, LLC	1-Nov-08	25N	52E	MDM	01 PROT ALL 02 PROT ALL 10 PROT E2 11 PROT ALL	2,257.00
NVN	85931	Area Petroleum, LLC	1-Nov-08	25N	52E	MDM	12 PROT ALL 13 PROT ALL 14 PROT ALL 15 PROT ALL	2,531.00
NVN	85932	Area Petroleum, LLC	1-Nov-08	25N	52E	MDM	22 PROT ALL 23 PROT ALL 24 PROT ALL	1,888.00
NVN	85933	Area Petroleum, LLC	1-Nov-08	25N	52E	MDM	26 PROT N2 27 PROT ALL 28 PROT S2 33 PROT ALL 34 PROT ALL	2,560.00
NVN	81749	Area Petroleum, LLC	1-Apr-06	25N	52E	MDM	10 PROT W2 25 PROT ALL 26 PROT S2 28 PROT N2 35 PROT ALL 36 PROT ALL	2,782.00
NVN	79035	Area Petroleum, LLC	1-Feb-05	24N	52E	MDM	15 PROT ALL 22 PROT ALL 23 PROT W2 26 PROT W2 27 PROT ALL 34 SE 34 PROT N2,SW 35 PROT NW 35 LOTS 3-6	3,521.44
NVN	79040	Area Petroleum, LLC	1-Feb-05	24N	52E	MDM	02 PROT ALL 03 PROT ALL 10 PROT ALL 11 SE 11 PROT N2,SW	2,612.00
NVN	79041	Area Petroleum, LLC	1-Feb-05	23N	52E	MDM	02 PROT W2 03 PROT ALL 10 PROT ALL 11 PROT W2 14 PROT W2 15 PROT ALL 22 PROT ALL 23 W2	3,911.00

