

EUREKA COUNTY, NV
LAND-ASN
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D.Y. OIL LLC

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LISA HOEHNE, CLERK RECORDER

Recording Requested By:

Name D.Y. Oil, LLC

Address P.O. Box 5405

City / State / Zip Boise, ID 83705

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

(Print Name Of Document On The Line Above)

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

(Insert The NRS, public program or grant referenced on the line above.)

Signature

Name Typed or Printed

This page is added to provide additional information required by NRS 111.312 Sections 1-2.
This cover page must be typed or printed. Additional recording fee applies.

ASSIGNMENT, BILL OF SALE AND CONVEYANCE

THIS ASSIGNMENT, BILL OF SALE AND CONVEYANCE (this "Assignment"), dated as of January 1, 2020 (the "Effective Date"), is from GRANT CANYON OIL & GAS, LLC, a Colorado limited liability company ("GCOG"), with an address at 717 Seventeenth Street, Suite 1400, Denver, Colorado 80202, to D.Y. OIL, LLC, an Idaho limited liability company ("Assignee"), with an address at c/o Yanke Machine Shop, Inc., 4414 S. Gekeler Lane, Boise, Idaho 83716.

1. FOR TEN DOLLARS (\$10.00) and other good, valuable and sufficient consideration received by GCOG, the receipt and sufficiency of which are hereby acknowledged, subject to the Reserved Interests (as defined below), GCOG does hereby grant, convey, sell, bargain, assign and deliver, unto Assignee the undivided leasehold working interests set forth in Exhibit "A" attached hereto and made a part hereof (the "Conveyed Interests"), in and to the following (the "Property"):

A. The oil, gas and mineral leases described in Exhibit "A" (the "Leases"), insofar and only insofar as the Leases cover the lands described in Exhibit "A" (the "Lands"), together with any and all rights, privileges, liabilities and obligations appurtenant thereto (all of the foregoing being hereinafter referred to as the "Leasehold Interests"); and

B. All spacing, pooling, unitization, communitization, agreements, orders, declarations, and designations pertaining to or covering any of the Leasehold Interests and all extant statutorily, judicially or administratively created drilling, spacing, proration and production units pertaining to or covering the Leasehold Interests, whether recorded or unrecorded (collectively, the "Units");

C. Any and all oil, gas, and other hydrocarbon, water, disposal, CO₂ or injection wells used or held for use in connection with the operation or development of the Leases, insofar as the Leases cover the Lands, and located on the Lands or the Units, whether producing, non-producing or temporarily or permanently abandoned, including without limitation those described in Exhibit "A" (the "Wells");

D. All surface and subsurface easements, rights-of-way, usage rights, licenses, leases and rights of ingress and egress used or held for use in connection with the operation or development of the Wells or Leases, insofar as the Leases cover the Lands, or the Units (the "Easements"), including without limitation those described in Exhibit "A"; and

E. All lease and wellhead equipment, materials, facilities, other personal property used or held for use in connection with the operation or development of

the Wells or the Leases, insofar as the Leases cover the lands, and any other movable or immovable equipment, including, but not limited to, pumping and injection equipment, storage facilities, roads, power lines, pipelines, compressors, surface and subsurface pipe, equipment and materials and treating equipment and improvements appurtenant to the Leasehold Interests or used directly in connection with the production, treatment or transportation of oil, gas or water from or allocated to the Wells or Leases (the "Equipment").

TO HAVE AND TO HOLD the Conveyed Interests unto Assignee and its successors and assigns forever, and this Assignment is made with full rights of substitution and subrogation of Assignee in and to all indemnifications, covenants, and warranties by others heretofore given or made with respect to the Conveyed Interests, subject to the following terms and conditions:

For all purposes hereof, the "Reserved Interests" shall mean GCOG's reservation of: (1) any and all leasehold working interests in and to the Property in excess of the undivided leasehold working interests set forth in Exhibit "A" (the "Reserved Working Interests"); (2) the wellbore of the Three Bar Federal #25-2 Well (located in the NW/4NE/4 of Section 25, T. 28 N., R. 51 E., Eureka County, Nevada) to a depth of 5,600 feet below the surface (excluding any oil and gas leasehold rights or extension of the Three Bar Federal #25-2 wellbore to any depth greater than 5,600 feet below the surface), any and all production from such wellbore derived from any depth not greater than 5,600 feet below the surface and any and all surface equipment, fixtures, pumps, tubing and other property and materials relating to the operation of, or production from, such well with respect to depths not greater than 5,600 feet below the surface; (3) only as to the Leases described on page A-NV-E-2 of the counterpart of this Assignment to be recorded in Eureka County, Nevada (the "80% NRI Leases"), an overriding royalty interest proportionately reduced to the leasehold working interest in the 80% NRI Leases being conveyed hereby, which shall be calculated in the same manner as the lessor's royalty payable pursuant to each of the 80% NRI Leases and shall be free and clear of all costs of exploration, drilling, development and operations, but shall be subject to its proportionate share of production taxes, in an amount equal to the excess of 20.0 percent over the sum of all existing royalties and overriding royalties burdening each of the 80% NRI Leases; (4) any and all other overriding royalty interests currently held by GCOG in or to any of the Leases or any of the Lands.

2. GCOG warrants title to the Conveyed Interests against burdens, encumbrances, title defects and other matters arising by, through or under GCOG, but not otherwise; provided that, as to any Conveyed Interest, a burden arising by, through or under GCOG shall not be deemed to cause a breach of such warranty unless it results in Assignee's share of production proceeds from such Conveyed Interest to be less than the Net Revenue Interest provided for such Conveyed Interest in Exhibit "A".

3. GCOG EXPRESSLY DISCLAIMS AND NEGATES ANY EXPRESS WARRANTY OF MERCHANTABILITY, CONDITION OR SAFETY AND ANY EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND

ASSIGNEE WAIVES ANY AND ALL OF THE AFOREDESCRIBED WARRANTIES AS TO THE CONVEYED INTERESTS AND ACCEPTS THE CONVEYED INTERESTS "AS IS, WHERE IS AND WITH ALL FAULTS". ALL DESCRIPTIONS OF THE CONVEYED INTERESTS OR ANY PART THEREOF HERETOFORE OR HEREAFTER FURNISHED TO ASSIGNEE BY GCOG HAVE BEEN AND SHALL BE FURNISHED SOLELY FOR ASSIGNEE'S CONVENIENCE AND SHALL NOT CONSTITUTE A REPRESENTATION OR WARRANTY OF ANY KIND BY GCOG. GCOG SHALL NOT HAVE ANY LIABILITY TO ASSIGNEE FOR ANY CLAIMS, LOSSES OR DAMAGES CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY, INCIDENTALLY OR CONSEQUENTIALLY, BY THE CONVEYED INTERESTS OR ANY PART THEREOF, BY ANY INADEQUACY THEREOF OR THEREWITH, ARISING IN STRICT LIABILITY OR OTHERWISE, OR IN ANY WAY ARISING OUT OF ASSIGNEE'S ACQUISITION THEREOF.

4. Miscellaneous.

(A) This Assignment shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns, and the terms hereof shall constitute covenants running with the land.

(B) Each party hereto hereby agrees to execute, acknowledge and deliver to the other party hereto, from time to time, such other and additional instruments, notices, division orders, transfer orders and other documents, and to do all such other and further acts and things as may be reasonably necessary to more fully and effectively carry out this Assignment and the transactions contemplated hereby.

(C) Unless provided otherwise, all recording references in any Exhibit hereto are to the official real property records of the county in which the respective Property is located. All Exhibits attached to this Assignment are incorporated herein by reference and shall constitute a part of this Assignment.


(D) This Assignment may not be amended except by an instrument expressly modifying this Assignment signed by each of the parties hereto. No waiver by either party hereto of any breach of any provision of this Assignment shall be binding unless made expressly in writing.

(E) This Assignment shall be governed by and construed under the laws of the State of Nevada, without regard to conflict of laws principles.

IN WITNESS WHEREOF, GCOG has caused this Assignment to be executed and delivered effective as of the Effective Date, and Assignee has joined in the execution and delivery of this Assignment to evidence its acceptance of the Conveyed Interests upon the terms and conditions set forth herein, effective as of the Effective Date.

GCOG:


GRANT CANYON OIL & GAS, LLC

By: 
Michael D. O'Neal,
President

STATE OF COLORADO)
) ss.
COUNTY OF ARAPAHOE)

The foregoing instrument was acknowledged before me this 4th day of January, 2020, by Michael D. O'Neal, as President of GRANT CANYON OIL & GAS, LLC, a Colorado limited liability company, on behalf of said limited liability company. Witness my hand and official seal.

**ANN HOYT STOLFA
NOTARY PUBLIC
STATE OF COLORADO**
NOTARY ID 19964008377
MY COMMISSION EXPIRES MAY 14, 2020


Ann Hoyt Stolfa, Notary Public

(SEAL)

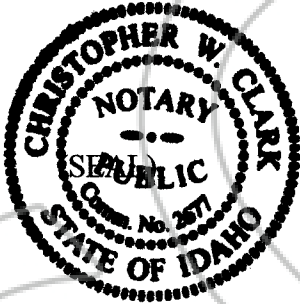
ASSIGNEE:

D.Y. OIL, LLC

By: *Daniel Yanke*
Daniel Yanke, Manager

STATE OF IDAHO)
) ss.
COUNTY OF ADA)

On this 13th day of January, in the year 2020, before me, Christopher W. Clark, a Notary Public, personally appeared Daniel Yanke, known or identified to me to be the Manager of the limited liability company that executed the above instrument or the person who executed the instrument on behalf of said limited liability company, and acknowledged to me that such limited liability company executed the same. Witness my hand and official seal.



Christopher W. Clark
Notary Public, residing at Boise, ID

My Commission Expires: July 1, 2020

EXHIBIT "A"

EUREKA COUNTY, NEVADA

1. Blackburn Unit. An undivided 2.354% interest in and to the leasehold estate created by each of the following Leases, insofar and only insofar as they cover the Lands described below:

Lessor: United States of America NVN52055 (segregated from USA NI0613)
Original Lessee: Merle C. Chambers
Date: November 1, 1974
Lands: T. 27 N., R. 52 E., MDM
Section 7: E/2SE/4.

Lessor: United States of America NVN11348
Original Lessee: Suzanne D. Bucy
Date: May 1, 1975
Recorded: Book 57, Page 256, Records of Eureka County, Nevada
Lands: T. 27 N., R. 52 E., MDM
Section 7: E/2NE/4;
Section 8: W/2.

Wells:

Blackburn #3, Blackburn #10, Blackburn #12 (SWD), Blackburn #14, Blackburn #16,
Blackburn #18, Blackburn #19, Blackburn #21:

WORKING INTEREST ----- 2.354%
NET REVENUE INTEREST ----- 1.895%

Subject to the following:

Unit Agreement for the Development and Operation of the Blackburn Area dated May 30, 1980;
Unit Operating Agreement dated May 30, 1980;
Contraction of Blackburn Unit effective November 12, 1987.

EXHIBIT "A"

EUREKA COUNTY, NEVADA (CONTINUED)

2. Eureka County Acreage. An undivided 0.5% interest in and to the leasehold estate created by each of the following Leases, insofar and only insofar as they cover the Lands described below:

Lessor: United States of America NVN087565
Original Lessee: Breck Energy (Nevada), LLC
Date: April 1, 2010
Lands: T. 28 N., R. 52 E., MDM
Section 19: Lots 1, 2, 3 and 4, E/2, E/2W/2;
Section 30: Lots 1, 2, 3 and 4, E/2, E/2W/2;
Section 31: Lots 1, 2, 3 and 4, E/2, E/2W/2;
comprising 1886.68 acres, more or less.
Recorded: #0215093, Records of Eureka County, Nevada

Lessor: United States of America NVN096435
Original Lessee: Grant Canyon Oil & Gas, LLC
Date: May 1, 2018
Lands: T. 28 N., R. 51 E., MDM
Section 13: Lot 4, SW/SE/4, S/2SW/4;
Section 23: All;
Section 24: Lots 5, 6, 7 and 8, W/2E/2, W/2;
comprising 1398.64 acres, more or less.
Recorded: #235526, Records of Eureka County, Nevada

Lessor: United States of America NVN096436
Original Lessee: Grant Canyon Oil & Gas, LLC
Date: May 1, 2018
Lands: T. 28 N., R. 51 E., MDM
Section 25: Lots 5, 6, 7 and 8, W/2, W/2E/2;
Section 26: All;
Section 35: All;
Section 36: Lots 4, 5, 7, 8, 9 and 10, W/2NE/4, NW/4,
E/2SW/4, W/2SE/4;
comprising 2490.06 acres, more or less.
Recorded: #235527, Records of Eureka County, Nevada

WORKING INTEREST ----- 0.500%
NET REVENUE INTEREST ----- 0.400%

Subject to the following:

Operating Agreement dated April 15, 2019;
Pine Valley Basin Unit Agreement dated May 13, 2019;
Pine Valley Basin Unit Operating Agreement dated May 13, 2019.