

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

LEASE NO. _____

CONTRACT No. 14-20-0603-903

95 DEC 13 AM 10:07

ASSIGNMENT OF MINING LEASE

WHEREAS, the Secretary of the Interior or his authorized representative has heretofore approved Oil and Gas mining lease, dated December 20, 1967, entered into by and between Chairman, Navajo Tribal Council, lessor, and Thomas A. Dugan, lessee,

covering the following-described lands in the NAVAJO-INDIAN RESERVATION in the State of New Mexico to wit: (Insert name of Reservation, Pueblo, Nation, etc., as needed) Northeast one-quarter and the South one-half of Section 5, Township 30 North, Range 17 West, N.M.P.M., San Juan County, New Mexico, comprising 470.5 acres.

Now, THEREFORE, for and in consideration of Ten dollars and other good and valuable consideration \$10.00 dollars (\$10.00), the receipt of which is hereby acknowledged, the said R. A. CRANE, JR.

the owner of the above-described lease, hereby bargains, sells, transfers, assigns, and conveys All of his right, title, and interest in and to said lease, subject to a 1/6th of 5/6th over-riding royalty interest on presently producing wells and reducing to a 10% (ten percent) over-riding royalty interest for wells drilled after this date. subject to the approval of the Secretary of the Interior or his authorized representative to Action Oil, Inc., A New Mexico Corporation, effective date October 8, 1990, pursuant to Bankruptcy Order Fed. 22, 1990, Bankruptcy No 11, of 88-00188 MF, United States Bankruptcy Court, District of New Mexico. Said assignment to be effective from date of approval hereby by the Secretary of the Interior or his authorized representative.

IN WITNESS WHEREOF, the said assignor has hereunto set his hand and seal, this 28th day of February, 1995

Robert Crane
D. Dugan
Power of Attorney

791-955-95

FILE COPY

Deed 10-3195
A Baker

ACKNOWLEDGMENT OF CORPORATION

STATE OF _____ } ss:
COUNTY OF _____ }

Before me, a notary public, in and for said county and State on this _____ day of _____, 19____ personally appeared _____ to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its _____ and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

My commission expires _____, 19____ Notary Public.

ACKNOWLEDGMENT OF INDIVIDUAL

STATE OF New Mexico } ss:
COUNTY OF San Juan }

Before me, a notary public, in and for said county and State, on this 28th day of February, 19 95 personally appeared BJ Baggett attorney in fact for RA Crane Jr.

_____, to me known to be the identical person who executed the within and foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

My commission expires January 7, 1997, 19____ Notary Public.

ACCEPTANCE BY ASSIGNEE

The assignee in the above and foregoing assignment, made subject to the approval of the Secretary of the Interior, hereby accepts such assignment and agrees to fulfill all the obligations, conditions, and stipulations in said described indenture of lease, when assigned, and the rules and regulations of the Secretary of the Interior applicable thereto, and to furnish proper bond guaranteeing a faithful compliance with said lease and this agreement.

IN WITNESS WHEREOF, the said assignee has hereunto set his hand and seal this 28th day of February, 19 95

Daniel Demeyer
PRES. Action Oil Inc.

CONSENT OF SURETY

The _____, of _____, surety for _____ on the bond accompanying the lease above described, hereby consents to the assignment and transfer of said lease as above made and agrees that said bond shall remain in force and effect covering obligations of assignee.

Dated at _____ this _____ day of _____, 19____

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
NOV - 7 1995

APPROVED: Pursuant to Secretarial Redlegation
Order 209 DM 8, Secretary's Order Nos.
3150 and 3177, as amended, and 10 BIAM

Acta Director
GPO 830-672

791-955-95

THE NAVAJO NATION
MINERALS DEPARTMENT
DIVISION OF NATURAL RESOURCES
ASSIGNMENT OF OIL AND GAS LEASE

ASSIGNMENT FOR : TITLE OPERATING RIGHTS BOTH

Lease No. 14-20-0603-903

1. Original Lessee: Thomas A. Dugan
2. Date of Approval of Original Lease: February 2, 1968
3. Royalty Rate: 16 2/3
4. Current Lease Description: Township 30 North Range 17 West, San Juan County, N.M.P.M.,
Northeast one-quarter and the South one-half of Section 5.
5. Description of Land Being Assigned: Township 30 North, Range 17 West, San Juan County, N.M.P.M.
Northeast one-quarter and the South one-half of Section 5,
containing 470.5 acres.
6. Assignor: Robert A. Crane, Jr.
7. Assignee: Action Oil Co.
8. Portion of Rights/Title Under Transfer: All (both).
(100% Record Title and Operating Rights).
9. Reserved Overriding Royalties: 1/6 of 5/6 on production on present
wells, then 10% on any future production.
10. Previous Assignments and Portion of rights/title transferred:
 - (1) Assignment of Mining Lease from Thomas A. Dugan to R.A. Crane, Jr.
All (100%both) Record Title and Operating Rights.
 - (2) _____
 - (3) _____

If there have been more than three (3) previous assignments, please use continuation form(s).

The assignee shall furnish to the lessor (The Navajo Nation, c/o the Minerals Department, P.O. Box 1910, Window Rock, AZ 86515), all copies of all reports filed with the Minerals Management Service and the Bureau of Land Management subsequent to federal laws and regulations, when filed. The assignee shall furnish also all oil and gas run tickets, copies of drillstem tests, pressure tests, core analyses, seismic data and any other information required by the Minerals Department for this lease.

9-11-95

Date

Action Oil Co.
President [Signature]

Assignee's Signature

President's Office - Approval

This assignment has been reviewed by the appropriate Departments of the Navajo Nation and is hereby approved.

SEP 28 1995

Date

[Signature]
President
The Navajo Nation