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ASSIGNMENT

THIS ASSIGNMENT, is entered into this 15th day of September, 2006, by and between Animas Energy Group, LLC ("^{ASSIGNOR}Assignee") and Robert L. Bayless, Producer LLC ("Assignee") whose address is 621 17th Street, Suite 2300, Denver, Colorado 80293.

DOES WITNESS THAT:

In consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the performance by Assignee of the covenants, agreements, obligations and conditions hereinafter contained, to be kept and performed by Assignee, it is agreed between the parties as follows, to-wit:

I. CONVEYANCE

A. Assignment. "Assignor does hereby assign, transfer, and convey to Assignee, without warranty, express or implied, all of Assignor's right, title, and interest in the oil and gas leases identified in Exhibit "A" attached hereto and made a part hereof, insofar as said leases cover the lands identified in Exhibit "A", said leases and lands being hereinafter referred to as the "Leases and Lands", subject to all of the covenants and conditions set forth herein and any additional provisions set forth in Exhibit "A". In the event Assignor owns other oil and gas leasehold interests in lands located in Rio Arriba County, New Mexico as of the effective date of this assignment, and said interests are not identified in Exhibit "A", this Assignment shall, nevertheless, operate to assign, transfer, and convey to Assignee all of Assignor's right, title, and interest therein, as though said interests were identified in Exhibit "A". Notwithstanding the foregoing, this Assignment does not operate as a conveyance of Assignor's right, title, and interest in and to the wellbores, the production therefrom and the downhole and surface equipment associated therewith, of the wells identified in Exhibit "B" attached hereto and made a part hereof, and Assignor does hereby specifically reserve and retain unto itself said wellbores, production, and equipment. Except as otherwise may be provided herein, this Assignment also includes all of Assignor's right, title, and interest in and to all personal property and improvements on or associated with the Leases and Lands, including the wells (whether producing, plugged and abandoned, shut-in, injection, or water supply) identified in Exhibit "C" attached hereto and made a part hereof, said wells being hereinafter referred to as the "Wells", and all tanks, boilers, buildings, fixtures, machinery, equipment, pipelines, utility lines, power lines, telephone lines, roads, and other appurtenances, only insofar as the same are used or held for use by Assignor in connection with the ownership, operation, and maintenance of the Wells. The Leases and Lands and the Wells are hereinafter referred to as the "Assigned Premises".

II. ALLOCATION OF EXPENSES

A. Taxes and Payables. All credits and payment obligations associated with the Assigned Premises including but not limited to lease rentals and other forms of contractual payments (including prepayments) and ad valorem, property, and other forms of taxes, which have been paid by Assignor or which have accrued on or before the Effective Date, shall be prorated between Assignor and Assignee as of the Effective Date. Assignor shall be responsible for all oil and gas production taxes, and any other similar taxes applicable to oil and gas production occurring prior to the Effective Date, and Assignee shall be responsible for all such taxes applicable to oil and gas production occurring on and after the Effective Date.

B. Expenses and Recording. Except as otherwise specifically provided, all fees, costs and expenses incurred by Assignor or Assignee in negotiating this Assignment or in consummating the transactions contemplated by this Assignment shall be paid by the party incurring the same, including, without limitation, legal and accounting fees, costs and expenses. Assignee shall be responsible for the filing and recording of this Assignment, conveyances, or other instruments required to convey title to the Assigned Premises to Assignee and Assignee shall bear all required documentary, filing and recording fees and expenses incurred in connection therewith.

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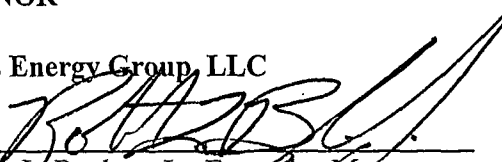
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III. MISCELLANEOUS

- A. Topical Headings. The topical headings used herein are for convenience only and shall not be construed as having any substantive significance or as indicating that all of the provisions of this Assignment relating to any topic are to be found in any particular section.
- B. Successors and Assigns. The terms hereof shall inure to and be binding upon the respective heirs, successors, and assigns of Assignor and Assignee.
- C. Effective Date. This Assignment shall be effective as of 7:00 A.M. on the 1st day of January, 2005.

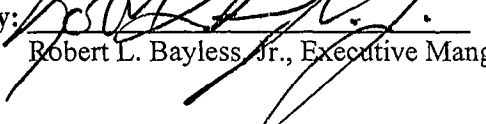
ASSIGNOR

Animas Energy Group, LLC

By: 
 Robert L. Bayless, Jr., Executive Manger
 Robert L. Bayless, Producer LLC
 Manager of Animas Energy Group, LLC

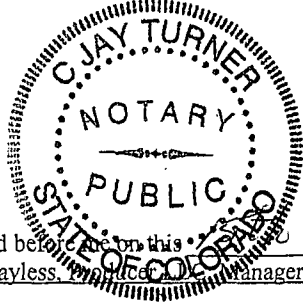
ASSIGNEE

Robert L. Bayless, Producer LLC

By: 
 Robert L. Bayless, Jr., Executive Manger

STATE OF Colorado §

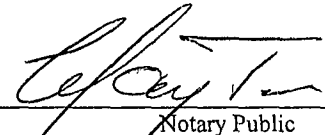
COUNTY OF Denver §



This instrument was acknowledged before me on this 18th day of September, 2006, by Robert L. Bayless, Jr. as Executive Manger Robert L. Bayless, Producer LLC Manager of Animas Energy Group, LLC on behalf of said entities.

(Seal, if any)

My Commission Expires: 03/09/08


 Notary Public
 Residing at Denver

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Exhibit "A"

Attached to and made a part of that certain Assignment effective January 1, 2005
By and between Animas Energy Group, LLC and Robert L. Bayless, Producer, LLC

Lease Number: NM001-E-0001-01
Lessor Name: ANNIE WHITE FEE
Lessee Name: ROBERT L. BAYLESS
Gross Acres: 960.0000
Date: 06/17/1985
Recording: 107/857/58
Description: T26N, R2W, NMPM
SECTION 20: E/2
SECTION 21: N/2NW/4, SW/4NW/4, NW/4SW/4, S/2SW/4
SECTION 28: NW/4
SECTION 29: E/2NW/4, NE/4
ALL DEPTHS

Lease Number: NM001-E-0002-01
Lessor Name: LEOTA JONES FEE
Lessee Name: ROBERT L. BAYLESS
Gross Acres: 960.0000
Date: 03/28/1985
Recording: 107/859/60
Description: T26N, R2W, NMPM
SECTION 20: E/2
SECTION 21: N/2NW/4, SW/4NW/4, NW/4SW/4, S/2SW/4
SECTION 28: NW/4
SECTION 29: E/2NW/4, NE/4
ALL DEPTHS

Lease Number: NM001-E-0003-01
Lessor Name: VIRGINIA CHRISTENSEN, ET AL
FEE LEASE
Lessee Name: MOUNTAIN STATES PETROLEUM CORP.
Gross Acres: 960.0000
Date: 03/26/1959
Recording: 87/80-81
Description: T26N, R2W, NMPM
SEC. 20: E/2
SEC. 21: N/2 NW/4, SW/4 NW/4, NW/4 SW/4, S/2 SW/4
SEC. 28: NW/4
SEC. 29: E/2 NW/4, NE/4
MINERAL INTEREST (ALL DEPTHS)

Lease Number: NM001-E-0004-01
Lessor Name: MITTIE E. BRIDGE FEE
Lessee Name: KENAI OIL & GAS INC.
Gross Acres: 160.0000
Date: 05/25/1985
Recording: 106/24-25
Description: T26N, R2W, NMPM
SEC. 28: SE/4
ALL DEPTHS

Lease Number: NM001-E-0005-01
Lessor Name: MCHUGH COMPANIES FEE
Lessee Name: DUGAN PRODUCTION CORP
Gross Acres: 400.0000
Date: 01/01/1995
Recording: 147/322-323
Description: T26N, R2W, NMPM
SEC. 21: W/2W/2, NE/4NW/4, SE/4SW/4
SEC. 28: NW/4
ALL DEPTHS

Lease Number: NM001-E-0006-01
Lessor Name: O.C. EVANS & C.C. EVANS FEE
Lessee Name: DUGAN PRODUCTION CORP
Gross Acres: 320.0000
Date: 05/24/1983
Recording: 100/207-208
Description: T26N, R2W, NMPM
SEC. 21: SE/4
SEC. 28: NE/4
ALL DEPTHS

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Lease Number: NM147-E-0001-01
Lessor Name: JOHN F. BROWN, ET UX
Lessee Name: DUDLEY CORNELL
Gross Acres: 320.0000
Date: 01/21/1947
Recording: 3/143-44
Description: T24N, R2W, NMPM
SEC. 27: E/2W/2, W/2E/2
LIMITED FROM SURFACE TO 3450', BUT NO DEEPER THAN BASE
OF PICTURED CLIFFS

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ANY RIO ARriba COUNTY, NEW MEXICO INTERESTS OWNED BY ASSIGNOR
IN LEASES NOT LISTED IN THIS EXHIBIT "A" ARE TO BE ASSUMED AN
OVERSIGHT AND SUBJECT TO THAT ASSIGNMENT EFFECTIVE
JANUARY 1, 2005

EXHIBIT "B"

Attached to and made a part of that certain Assignment effective January 1, 2005
By and Between Animas Energy Group, LLC and Robert L. Bayless, Producer LLC

PROPERTY	WELL NAME	SEC	TWNSHP	RANGE	COUNTY	STATE
NM022 056	Canyon Largo Unit <i>41E DK</i>	VAR	25N	6W	Rio Arriba	NM
NM238 001	Guinae Pig #1	24	26N	2W	Rio Arriba	NM
NM098 003	N Lindrith PC	20	26N	2W	Rio Arriba	NM
NM022 045	PC Tract 41B CLU	VAR	24N	6W	Rio Arriba	NM
NM022 047	PC Tract 41C	VAR	24N	6W	Rio Arriba	NM
NM022 074	PC Tract 74 CLU	VAR	24N	6W	Rio Arriba	NM
NM141 455	Simms Com #1	28	30N	4W	Rio Arriba	NM
NM022 01C	Atlantic 1	32	26N	6W	Rio Arriba	NM
NM034 010	Blue Mesa 1	11	24N	7W	Rio Arriba	NM
NM034 020	Blue Mesa 2	12	24N	7W	Rio Arriba	NM
NM163 003	Bolack 3	31	26N	7W	Rio Arriba	NM
NM163 004	Bolack B 1	1	24N	6W	Rio Arriba	NM
NM021 011	Canada Mesa 1E	24	24N	6W	Rio Arriba	NM
NM021 021	Canada Mesa 2E	24	24N	6W	Rio Arriba	NM
NM021 031	Canada Mesa 3E	14	24N	6W	Rio Arriba	NM
NM021 040	Canada Mesa 4	10	24N	6W	Rio Arriba	NM
NM021 041	Canada Mesa 4E	10	24N	6W	Rio Arriba	NM
NM044 001	Featherstone Federal 1	19	26N	2W	Rio Arriba	NM
NM044 002	Featherstone Federal 2	19	26N	2W	Rio Arriba	NM
NM047 001	Fields #1	31	26N	6W	Rio Arriba	NM
NM047 002	Fields #2	31	26N	6W	Rio Arriba	NM
NM047 003	Fields Com #1	31	26N	6W	Rio Arriba	NM
NM163 008	Foster A 1	8	25N	7W	Rio Arriba	NM
NM034 004	John S. Dashko 4	12	24N	7W	Rio Arriba	NM
NM098 004	N Lindrith Com #1 MV	20	26N	2W	Rio Arriba	NM
NM098 001	N Lindrith Com #1A	20	26N	2W	Rio Arriba	NM
NM034 100	Rockhouse Canyon 1	11	24N	7W	Rio Arriba	NM
NM001 004	Bear Com #20	20	26N	2W	Rio Arriba	NM
NM001 003	Bear Com #28	28	26N	2W	Rio Arriba	NM
NM029 002	COBH #1	22	24N	2W	Rio Arriba	NM
NM240 001	Evans Com #1	21	26N	2W	Rio Arriba	NM
NM059 001	Federal H #1	30	25N	1W	Rio Arriba	NM
NM098 005	Humble FED A1	29	26N	2W	Rio Arriba	NM
NM003 017	Otero #1	5	23N	5W	Rio Arriba	NM
NM141 U01	San Juan 27-5 U	5	27N	3W	Rio Arriba	NM
NM141 U10	San Juan 28-5 U	5	27N	3W	Rio Arriba	NM

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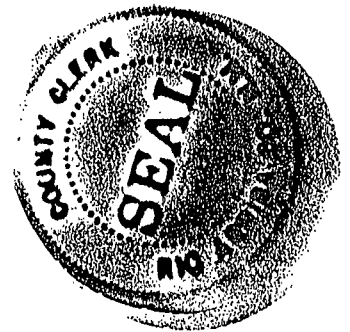
ANY RIO ARRIBA COUNTY, NEW MEXICO INTERESTS OWNED BY ASSIGNOR
IN WELLS NOT LISTED IN THIS EXHIBIT "B" OR EXHIBIT "C" ARE TO BE
ASSUMED AN OVERSIGHT AND SUBJECT TO THAT ASSIGNMENT
EFFECTIVE JANUARY 1, 2005 AS EXHIBIT "B" WELLS RETAINED BY ANIMAS
ENERGY GROUP, LLC.

EXHIBIT "C"
WELL SCHEDULE

Attached to and made a part of that certain Assignment effective January 1, 2005
By and Between Animas Energy Group, LLC and Robert L. Bayless, Producer LLC

PROPERTY	WELL NAME	SEC	TWNSHP	RANGE	COUNTY	STATE
NM028-004	CLU 471 DK	24	25N	6W	RIO ARRIBA	NM
NM028-001	CLU 480	4	25N	6W	RIO ARRIBA	NM
NM028-002	CLU 481	5	25N	6W	RIO ARRIBA	NM (-203221)
NM028-005	CLU 483	9	25N	6W	RIO ARRIBA	NM
NM028-003	CLU 484	9	25N	6W	RIO ARRIBA	NM
NM022-006	SIMMS FED COM # 6	24	30N	4W	RIO ARRIBA	NM
NM022-007	SIMMS FED COM # 7	12	30N	4W	RIO ARRIBA	NM

Assigns



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