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Laurence Kestelbaum, Washtenaw Co



7  
4-24-14

**ASSIGNMENT OF OIL AND GAS LEASES**

KNOW ALL MEN BY THESE PRESENTS, PAXTON RESOURCES, LLC (herein "Assignor"), whose address is 132 North Otsego Ave, Gaylord, MI 49735, for Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant, bargain, sell, convey, assign, transfer, set over and deliver unto MASTER KEY ENERGY, LLC, (herein "Assignee"), whose address is 718 Notre Dame Street, Suite 100, Grosse Pointe, MI 48230, an undivided two percent (2%) working interest in and to the oil and gas leases described on Exhibit "A" attached hereto and made a part hereof.

Assignor expressly reserves and excepts from this Assignment:

An overriding royalty interest equal to the difference between existing lease burdens and twenty percent (20%) of 8/8ths, reduced proportionately to the interest conveyed. It is the intent to assign an eighty percent (80%) net revenue interest to Assignee. Said overriding royalty interest shall be free of all costs, but subject to its proportionate share of applicable taxes.

Said overriding royalty shall apply to any extensions, renewals or new leases covering the leased interests acquired by Assignee, its successors or assigns, within one year from the expiration of a lease covered by this Assignment.

This assignment is made subject to the following terms and conditions:

- 1) An unrecorded Letter Agreement dated April 22, 2011 between Assignor and Assignee.
- 2) Joint Operating Agreement dated April 22, 2011 between Assignor and Assignee

TO HAVE AND TO HOLD the Leases unto Assignee, its successors and assigns, forever, subject to the terms, conditions, reservations and exceptions herein expressed and Assignor hereby warrants the title to same by, through or under Assignor, but not otherwise.

It is expressly understood and agreed that Assignor makes no warranty or representation, express or implied, as to its title or the title of the lessor(s) in and to the lands or oil and gas interests covered by the Leases or this Assignment.

This Assignment shall be binding upon and inure to the benefit of the Assignor and Assignee and each of their respective successors and assigns.

IN WITNESS WHEREOF, this Assignment is dated this 21st day of January, 2014 but effective as of the date of each lease on the Exhibit "A".

PAXTON RESOURCES, LLC

By: Scott Lampert  
Its: Member

STATE OF MICHIGAN        )  
  )ss  
COUNTY OF OTSEGO        )

This instrument was acknowledged before me on ~~January~~ <sup>February 4</sup>, 2014, by Scott Lampert, as Member of Paxton Resources, LLC, a Michigan limited liability company, on behalf of said company.

My commission expires:  
May 15, 2016

Becky A. Farmer, Notary Public  
In and for Otsego County, Michigan  
Acting in Otsego County, Michigan

Prepared by: Becky A. Farmer, Paxton Resources, 132 N. Otsego Ave., Gaylord, MI 49735

*Master Key Energy LLC  
718 Notre Dame St. Ste 100  
Grosse Pointe, MI 48230*



Washtenaw County Register of Deeds  
Submitted for Recording  
4/1/2014, 11:00:00 AM

Washtenaw  
 Exhibit "A"  
 Attached to and made a part of Assignment dated January 21, 2014  
 from Paxton Resources, LLC to Master Key Energy, LLC

Lease No.	Lessor	Lessee	Lease Date	Book	Page	Twp	Rge	Sec	Description
211610453	LAFERN A. HAAS	Paxton Resources LLC	11/12/2012	4945	532	3S	4E	24	NE/4SE/4
211610454	HAZEL E. SEEGER REV TRUST	Paxton Resources LLC	11/8/2012	4945	533	4S	5E	9	PT SW/4
211610455	GUY B. THOMPSON III ET UX	Paxton Resources LLC	11/21/2012	4950	441	3S	4E	24	PT S/2SE/4
211610456	FRANK M. REMSKI ET UX	Paxton Resources LLC	11/30/2012	4951	346	3S	4E	25	PT E/2NE/4
211610457	KEVIN L. CLINK ET UX	Paxton Resources LLC	12/12/2012	4953	313	4S	5E	10	PT W/2SE/4
211610458	JAMES D. COVAL TRUST ET AL	Paxton Resources LLC	11/29/2012	4958	593	3S	4E	25	W 330.0 FT OF N/2NE/4
211610459	INGA J. HEATON REV TRUST	Paxton Resources LLC	12/18/2012	4987	229	4S	5E	10	W/2E/2SE/4, PT E/2
211610460	LOUIS C. NAEBECK	Paxton Resources LLC	11/8/2012	4987	228	3S	4E	25	PT NE/4
211610461	BRIAN EARL	Paxton Resources LLC	11/29/2013	4963	732	3S	4E	24	PT S/2SE/4
211610462	STEPHEN ROTHFUSS ET UX	Paxton Resources LLC	2/6/2013	4967	658	4S	5E	20	PT NW/4NE/4
211610463	PAUL ROTHFUSS & SONS, LLC	Paxton Resources LLC	2/12/2013	4967	659	4S	5E	18	PT E/2NE/4
211610464	PAUL W. ROTHFUSS REV TRST ETAL	Paxton Resources LLC	2/6/2013	4967	348	4S	5E	20	PT NW/4NE/4
211610466	TIMOTHY L. TOBIAS	Paxton Resources LLC	1/30/2013	4968	759	3S	5E	31	PT SE/4SW/4, PT W/2SE/4
211610467	RICHARD P. STAPNOWSKI ET UX	Paxton Resources LLC	3/4/2013	4973	370	3S	4E	24	PT SE/4SE/4
211610468	MARK T. DESECK ET UX	Paxton Resources LLC	2/22/2013	4975	819	4S	5E	34	PT NW/4SE/4
211610469	VINCENT BANKSTON	Paxton Resources LLC	3/7/2013	4976	605	4S	5E	9	PT SE/4SW/4
211610470	DAVID L. JEDELE ET UX	Paxton Resources LLC	4/8/2013	4981	535	3S	5E	31	NE/4NW/4, NW/4NE/4, N/2SW/4NE/4, NE/4NE/4
211610471	STANLEY A. MATOS ET UX	Paxton Resources LLC	5/7/2013	4980	220	2S	4E	36	PT SE/4SW/4
211610472	THOMAS A. TOBIAS ET UX	Paxton Resources LLC	5/15/2013	4980	219	3S	5E	31	E 2/3 OF E/2SE/4
211610473	THOMAS A. TOBIAS ET UX	Paxton Resources LLC	5/15/2013	<del>4980</del> 4980	4S	5E	6		PT E FR/2 NE FR/4 (B*)
211610474	CHRISTOPHER N. DAVIS ET UX	Paxton Resources LLC	4/23/2013	4980	218	3S	4E	2	PT NE/4NE/4
211610475	WAYNE H. HARTLEY	Paxton Resources LLC	4/23/2013	4980	221	3S	4E	2	PT NE/4NE/4
211610476	DONALD J. DAVIS ET UX	Paxton Resources LLC	4/23/2013	4980	217	3S	4E	2	PT NE/4NE/4
211610477	SHANNON BOUTON ET VIR	Paxton Resources LLC	3/1/2013	4984	189	2S	4E	26	PT SW/4SE/4
211610478	JOHN KOHLER	Paxton Resources LLC	4/25/2013	4981	530	4S	5E	20	NW/4SE/4
211610479	MICHAEL H. ARMBRUSTER ET UX	Paxton Resources LLC	6/17/2013	4986	775	4S	5E	15	PT W/2E/2SW/4
211610480	JACK GREGORY MITCHELL ET UX	Paxton Resources LLC	8/6/2013	4986	314	4S	5E	9	PT E/2SE/4
211610481	HACK RD, LLC	Paxton Resources LLC	9/12/2013	5001	959	4S	5E	34	PT S/2SE/4
211610482	ARBOR INT'L INC PROFIT SHARING	Paxton Resources LLC	10/28/2013	5010	630	4S	5E	10	PT SW/4NW/4, PT NW/4SW/4
211610482	ARBOR INT'L INC PROFIT SHARING	Paxton Resources LLC	10/28/2013	5010	629	4S	5E	10	PT W/2NW/4, PT W/2SW/4, PT W/2SW/4 LYING NLY OF HWY US 12