

Prepared by and return to:  
Cottonwood Creek Resources, Inc.  
P.O. Box 119  
Wibaux, MT 59353

## ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned **Cottonwood Creek Resources, LLC** whose address is **P.O. Box 119, Wibaux, Montana 59353** (hereinafter called "Assignor"), for and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby sell, assign, transfer and set over unto **Ashwood Resources, LLC** whose address is **1161 Wayzata Boulevard East, #240, Wayzata, Minnesota 55391** (hereinafter called "Assignee"), all of Assignor's right, title and interest in and to the Oil and Gas Leases (hereinafter called "Leases") described on Exhibit "A" attached hereto and made a part hereof, subject to the reservations contained herein and being situated in the County of **Divide**, State of **North Dakota**, together with the rights and obligations in all contracts and agreements incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

Assignor hereby expressly saves, reserves and excepts unto itself, its successors or assigns, an overriding royalty in the amount equal to two percent (2.00%) of eights-eighths (8/8ths) of all oil, gas, casinghead gas and other hydrocarbon substances produced, saved and marketed from the lands described in said Leases. Such overriding royalty reserved by Assignor shall (i) be based on 8/8ths, (ii) be reduced proportionately to the leasehold working interests, and the mineral estates leased thereby, that are burdened by said overriding royalty, (iii) be free of all drilling, development, production, operating and overhead costs and expenses; (iv) bear and pay its proportionate share of gross production taxes, pipeline taxes, ad valorem taxes and other taxes assessed against the gross production attributable to said overriding royalty; and (v) apply to any and all renewals and/or extensions of the working interest and/or leasehold interest subject to said overriding royalty.


Assignee, its heirs, personal representatives, successors, and assigns, agree that the above reservation of overriding royalty interest shall continue and apply to any extension, renewal, top-lease, or new lease taken within one (1) year of the expiration of the "Leases" described on Exhibit "A".

It is agreed between Assignor and Assignee that this Assignment is made without any covenants or any warranties, either expressed or implied. By acceptance of this assignment and payment for the Leases described herein Assignee agrees to assume any and all liabilities and responsibilities contained in said Leases or created by the existence of said Leases, and further, Assignee shall assume all risk, liability, and obligations in connection with or related to ownership and operation of the Leases and the lands covered thereby, and shall indemnify and hold harmless Assignor, its officers, directors, employees and agents, from and against all losses, liabilities, damages, demands, suits, claims, and causes of action arising out of or related to the ownership and operation of the Leases and the lands covered thereby.

The provisions hereof shall extend to and be binding upon the heirs, personal representatives, successors, and assigns of Assignor and Assignee.

EXECUTED this 14th day of January, 2011.

**Cottonwood Creek Resources, LLC**

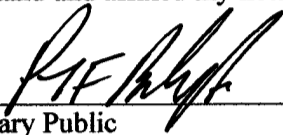
By:   
\_\_\_\_\_  
Russell E. Houck, Managing Member

STATE OF MONTANA                    )  
  ) ss.  
COUNTY OF WIBAUX                 )

BEFORE ME, the undersigned, a Notary Public, in and for said County and State, on this 14th day of **January, 2011**, personally appeared Russell E. Houck, to me known to be the identical person, described in and who executed the within and foregoing instrument and acknowledged to me that he duly executed the same as the free and voluntary act and deed of said Company for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My commission expires NOVEMBER 01, 2012  
(Spell out month)

  
\_\_\_\_\_  
Notary Public  
Print Notary's Name: Perry F. Bailey, Jr.  
Residing at Wibaux, Montana



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Attached to and made a part of that Assignment of Oil and Gas Leases dated January 14, 2011, by and between Cottonwood Creek Resources, LLC, and Ashwood Resources, LLC

| Lessor           | Lessee                          | Description   | Recorded |
|------------------|---------------------------------|---|----------|
| Roxy G. Houck    | Cottonwood Creek Resources, LLC | Township 163 North, Range 99 West, 5th P.M.<br>Section 33: NE4NW4 | 303M28   |
| Russell E. Houck | Cottonwood Creek Resources, LLC | Same as above   | 303M31   |

255667

Fees: \$19.00

STATE OF NORTH DAKOTA DIVIDE COUNTY

I hereby certify that this instrument was filed for record on 2/24/2011 @ 1:15 PM in Book:ASGN 282 on Page:34

Penny Hagen, County Recorder

By *Stephanie Hume, Deputy*



|           |         |
|-----------|---------|
| Doct. No. |         |
| 255667    |         |
| Copied    | Rec     |
| Grantor   | Mong'r  |
| Grantee   | Mortg'e |
| Compared  | Paged   |
| Tract     | Marg    |